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ABSTRACT

This interdisciplinary conference was intended to make employment service personnel in two Appalachian states more aware of the social and psychological aspects of poverty and the training and employment needs of the poor. Papers are included by Robert J. Lampman, Frank H. Cassell, Louis A. Ferman, Charles C. Killingsworth, Robert C. Couthorn, and Gerald Gurin. Although the conference deliberately included divergent views on the solutions to poverty problems, all the authors share the belief that both institutions and the poor must change, and that a healthy economy is vital to the war on poverty. (BH)

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The Poor and the Hard-Core Unemployed

Recommendations for New Approaches

Edited by
Wil J. Smith

A joint publication of the
Office of Research and Development
Appalachian Center
West Virginia University
Morgantown
and the
Institute of Labor and Industrial Relations
The University of Michigan—Wayne State University
Ann Arbor

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1970

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Preface

The papers included in this publication are the proceedings of the Hard-Core Unemployment Conference held at West Virginia University, October 24-25, 1968. This conference, cosponsored by the West Virginia and Pennsylvania chapters, IAPES, and the Office of Research and Development of West Virginia University, was in essence a follow-up to a similar conference for the West Virginia Department of Employment Security personnel held on May 4 of the preceding year. It differed from the prior conference primarily in its use of the interdisciplinary approach to the problems of unemployment and poverty. Also, a higher level of sophistication was used in the analyses of the major problems and in the presentation of the latest findings in the fields of poverty and hard-core unemployment.

The goal of the conference, as stated more fully in the Introduction, was to provide the Employment Security personnel with the most significant and up-to-date information on the hard-core unemployment and poverty problems. It was hoped that in this way they would then become more cognizant of the social-psychological dimensions of the poverty problem and the complex needs of the poor in such areas as job training and job development.

Contributors to the plan of the conference included Samuel Cherra, President, Pennsylvania Chapter, IAPES, George V. O'Malley, President, West Virginia Chapter, IAPES, Ralph Halstead, West Virginia Department of Employment Security, Marie Hester, Pennsylvania Bureau of Employment Security, Frederick A. Zeller, Director, Division of Social and Economic Development and the Office of Research and Development, and Wil J. Smith, Office of Research and Development.

Among those who made important contributions to the conference were Clement R. Bassett, Commissioner, West Virginia Department of Employment Security, William C. Diosegy, Deputy Secretary for Employment Security, Pennsylvania Bureau of Employment Security, T. Edward Burns,

Acting Administrator—Region III, Bureau of Employment Security, and Oscar A. Duff, Vice-Chairman, International Institute Committee, IAPES, who was the moderator for the conference. The conference was coordinated by Wil J. Smith. Frederick A. Zeller originated the idea of the conference and initiated conference planning. The Appalachian Center provided the financial support to make the conference possible.

We feel that each of the papers in this collection provides new and significant insights into the problems of hard-core unemployment and poverty. With an increasingly important role being played by Employment Security in the areas of manpower policy, it is crucial that Employment Security personnel understand more fully the social and human dimensions of the hard-core unemployment and poverty problems.

Wil J. Smith
Office of Research and Development
West Virginia University

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Introduction

Wil J. Smith
Assistant Research Professor of Economics
Office of Research and Development
Appalachian Center
West Virginia University

Our concerns in this collection of papers are poverty and hard-core unemployment, the policies developed to deal with these problems, and the programs established to implement these policies among the poor themselves.

Serious unemployment as a regional phenomenon was first recognized in those areas of the United States where rapidly changing technology, changes in consumer demand, natural resource depletion, and lack of developing alternative job opportunities were most pronounced. Hence the first special legislation in this area was regionally and structurally oriented, in such acts as the Area Redevelopment Act and the Accelerated Public Works program in 1961 and 1962 following the extended debate in Congress and twin vetoes by the Eisenhower Administrations during the 1950s. Shortly thereafter serious unemployment was also recognized as an occupational phenomenon. Occupational unemployment was found to be somewhat more national in scope and impacting most heavily not only on certain regions that had historically experienced inordinately high levels of unemployment, but also in certain of the semiskilled and unskilled occupations, especially those where rapidly changing technology was a factor. The recognition of the poverty/unemployment problem as a far-reaching malady affecting millions of persons in all parts of the nation gave rise to broader legislation and the establishment of more of the necessary machinery and institutions to effectuate change and to intervene in the vicious circle of poverty among communities and families.

The war on poverty was born and baptized amid controversy and into a turbulent world torn by conflicting

concerns with the individual and his rights and opportunities in a rapidly changing, technologically oriented, post-industrial society. Few would deny that something has been accomplished in the effort to improve the future for the very poor and hard-core unemployed. How much has been accomplished that will have lasting and far-reaching consequences for this and other generations and how much rests on sound principles of community and human development only further assesment and critical analysis will determine. But a commitment has been made by the government and the people, albeit one at least partially forced by circumstances and less than impressive, enthusiastic, or innovative, to provide a decent life for the poor and unemployed through both an improved system of income maintenance and new and improved education, job training, and job development programs.

The papers in this collection are the proceedings of a conference on hard-core unemployment and poverty held at the West Virginia University in the fall of 1968. This, the second of two conferences on poverty conducted by the Appalachian Center as a type of in-service training for State Employment Service personnel, was co-sponsored by the West Virginia and Pennsylvania chapters of the International Association of Personnel in Employment Security (IAPES) and the Office of Research and Development of West Virginia University.

The general purpose of this conference was to bring together a group of the nation's most outstanding authorities on the problems of poverty and hard-core unemployment to present the latest research findings in these areas. A key feature of this conference was the interdisciplinary nature of the approach and the deliberate attempt to include principal speakers holding divergent views on the solutions of the hard-core employment and poverty problems. The goal of the conference was, perhaps, somewhat overly optimistic. It was hoped that the information presented by the principal speakers would have a significant impact on the employment service personnel in two Appalachian states by making them more cognizant of the social and psychological dimensions of the poverty problem and the extensive and complex needs of the poor in such areas as job training and job

development. It was thought that this was an excellent way to reach a large number of people who would be playing an increasingly important role in the development and implementation of human resource and job development programs. Indeed, the ultimate success or failure of all programs concerned with manpower training and job opportunities for the poor and hard-core unemployed (in fact all potentially employable) is now or might soon be determined by the effectiveness of the State Employment Security Services. If the conference was successful, the sensitivity and awareness of the poor would be translated into concrete programs which were relevant to the needs of the poor, involving them in meaningful ways in seeking solutions to their own problems.

Professor Lampman presents convincing evidence which indicates that we have been quite successful in reducing the level and rate of poverty in the United States. This rather dramatic reduction in the percentage of the poverty population, he points out, has been primarily associated with the high and continually expanding levels of employment and general prosperity and not through any particular poverty or manpower program established to deal with the special needs of the poor. Although he doesn't believe the rate of poverty will continue to fall as rapidly or as dramatically as in recent years, due to the hard-core or residual nature of much of the remaining poor population, he does feel that there is still room for substantial reduction of the poverty population that could be brought about primarily by general economic prosperity. Lampman feels that the best poverty program is a prosperous and healthy national economy.

It can be concluded then that Professor Lampman is not of structuralist leanings. He states that the structuralists were never able to present a convincing case in Congress or with the Administration and suggests that this approach is neither very valid nor very helpful in attacking the real problems of the poor.

How then would Lampman deal with the hard-core unemployed, the residual poor which general economic growth can hardly expect to completely reach? While deeply concerned about the cost and benefits of certain

projects and relative payoffs from several of the poverty programs such as headstart, community action, and legal aid, and the priorities of other programs, he is convinced that any permanent solution must ultimately involve the poor themselves in some substantial and meaningful capacity. While critical of community action, especially the administration of these programs, he feels it is a necessary and valuable ingredient in the formula to abolish poverty, but believes it can only go so far until it confronts strong institutional barriers. He admits that community action programs have enabled the poor to gain access to community services which might otherwise have continued to be denied them.

As far as long term solutions are concerned, he holds that both guaranteed employment and guaranteed annual income programs have serious conceptual and administration problems which must be resolved, not to mention the cost of such programs which in the extreme form are almost prohibitively expensive. He argues that there is a need to start small and to resolve many of the important questions surrounding both of these programs before making any long-term, massive commitment to either program. Meanwhile, we should place our emphasis where there has been the greatest short-term payoffs to date—the maintenance of sound monetary and fiscal policy to assure a growing, prosperous general economy, while at the same time improving our income maintenance programs and expanding those poverty programs which have the greatest relative payoff such as headstart, legal aid and the various manpower and job development programs.

He contends that there has been and continues to be strong, healthy, and heated debate over the most desirable programs and the form these programs should take, primarily because it is extremely difficult to predict which approach to the poverty problem will have the largest payoff. He notes that in many cases the size of the payoff is not closely related to the expenditure on a particular program, illustrated best by the legal aid program, which has had a small budget but an impressive record of success in providing sorely needed legal services for the poor.

So while pleased with the overall reduction in the poverty population over the last five years, Lampman feels that any permanent long-range solution to the question of poverty and unemployment, especially for the hard-core unemployed, must involve the people who are poor in a most intimate, direct, and meaningful way. Effective community action is a necessary condition for the full and final resolution of the problem.

In the second paper in this collection Professor Cassell takes a broad, rather eclectic look at American manpower needs, the anticipated population growth, and the changing sturcture of occupations. He concludes that not only should we eliminate poverty and the high incidence of hard-core unemployment, but we can and must if we are to assure the continued and rapid growth of the economy and the outpouring of quality goods and services without the disruptive bottlenecks caused by labor shortages in the basic industries and occupations. In Cassell's opinion, the prospects for the future are bright if we make certain adjustments in the machinery of our war on poverty.

The first step would be to recognize that today the problem is one of selective, hard-core unemployment and that general economic prosperity is not likely to be sufficient to solve their problems alone. Individual attention must be given those who are poor or qualify as hard-core unemployed. In addition, special programs must be designed that consider the needs of each individual. Cassell feels that exceptional results can be achieved if individualized instruction and personalized attention are coupled with adequate money resources and a national commitment to solve this pressing domestic problem.

Professor Cassell cites several positive factors in the war on poverty and the attempt to solve the problem of hard-core unemployment. For example, he views with some satisfaction the enlarged role being played by private industry. He commends the State Employment Services for their willingness to re-educate themselves toward becoming more productive in improving the conditions of the poor and upgrading the skills of the hard-core unemployed. But he is quite critical of the overall success of the United States Employment Service and other

organizations and individuals that profess a deep concern for the poor. He contends that the apparent inability of social planners, the policy-makers, and the politicians to involve the community (the "grassroots") and to understand the full implication of the poor's desire for self-determination and self-improvement has retarded the development of effective manpower policies and the fullest implementation of most manpower programs. The attitude of many groups concerned with the poor has been that there is nothing to be gained from listening to or involving them. Professor Cassell would place greater power in the hands of the poor and the "grassroots" population, even to the extent of recognizing their authority to remove programs that do not administer effectively to their needs as they see them.

The Employment Service should become a true servant of the people community-based and community-service oriented. To be effective, says Cassell, the Employment Service must go to the people, determine their most pressing needs and desires and then work intimately with the poor and hard-core unemployed toward the full resolution of these problems. This organization must "tool up" to perform a multiplicity of functions, providing relevant manpower and job development services for the poor in both rural and urban areas, new towns, and regional growth centers.

In summary, then, how would Cassell solve the problems of hard-core poverty and unemployment? By listening to the poor and catching up with their thinking on this matter of their future in the world of work. This would mean that the manpower administration and especially the State Employment Services must become community-based and community-service oriented, involving the poor as full-fledged board members in decisions affecting employment policy, education, job training, and job development—decisions that affect their very lives. The policy makers and all those concerned with the poor must come to understand the desire of the poor for self-improvement and self-determination and incorporate this desire into their programs for the poor and hard-core unemployed.

Here, as in Lampman's paper, a necessary condition to assure concrete, long-range improvement in the con-

ditions in which the poor live is the integral role played by the poor themselves. Without this ingredient, any progress is destined to be short-lived and largely illusory.

The paper by Professor Ferman is concerned almost exclusively with the failure of the larger, nonpoor society to deal effectively with what he sees as the continuing and worsening phenomenon of hard-core unemployment.

According to Ferman, the failure to commit substantial resources to resolve the hard-core unemployment problem is traceable to several attitudes of middle class society: (1) the failure to admit that hard-core unemployment is a continuing, pervasive problem and neither a recession nor a high employment phenomenon; (2) the lack of detailed reliable data on hard-core or long-term unemployment which has resulted in the development of programs that treat this group as being composed of largely homogeneous individuals; (3) the unchecked myths and stereotypes about the poor and hard-core unemployed; (4) the more-than-slightly warped value system in the United States which stresses work efficiency, profit, and price stability rather than human growth, development, and happiness and the uplifting of the human spirit; (5) the unnecessary and unreasonable emphasis on the worth and desirability of a credentials system and a system which stresses the legitimacy of knowledge.

Hitting hard at the role of national values and group stereotypes, which he believes has resulted in the perpetuation rather than the diminution and resolution of the hard-core unemployment problem, Ferman sets forth three policy recommendations which he feels should prove helpful in developing realistic programs. First, policy criteria should be structure-centered rather than person-centered; second, there must be substantial flexibility in the use of efficiency criteria. Finally, the images of the productive worker and the credentials system must be reexamined.

Ferman concludes that the voices of the poor must be heard. Serious efforts must be made to incorporate their suggestions into programs developed for them. In essence, then, the programs for the poor must involve the poor in a most direct and integral manner so that such programs become in reality by the poor and for the poor.

A leading proponent of the structuralist theory of unemployment, Professor Killingsworth is certainly not one of those who feels that the benefits of general prosperity and an increasingly affluent social and economic system will eventually and automatically "trickle down" evenly or at all to those persons and groups in our society who need help most desperately. Despite the rather low rates of unemployment prevailing during most of the 1960s, he does not believe for a moment that full employment has been achieved in the United States. He urges those who hold such opinions to examine more closely the data which point up most vividly the unevenness in the distribution of the benefits of the present economic expansion among the labor force and the general population.

Killingsworth does not feel that high levels of aggregate demand or general prosperity can lead to the final resolution of the poverty and hard-core unemployment problems, essential though it may be. In fact, says Dr. Killingsworth, the condition of widespread prosperity (especially the present, largely war-induced and supported prosperity) often distorts the true nature of the problem, understates its seriousness, and postpones any lasting improvement in the conditions of the poor for several years.

The Killingsworth scheme for solving the problems of the hard-core unemployed is not especially new nor radical. Unlike the Lampman plan, however, it would not include a guaranteed annual income component, which in Killingsworth's opinion, has little or nothing to recommend it relative to other equally far-reaching alternatives. He would recommend, instead, some program of guaranteed annual employment with government acting as employers of last resort if necessary, where "useful work would be made available for all those who are willing to meet some reasonable standards of behavior and performance.

Basically, according to Killingsworth, we need to continue the programs now in operation. But we must intensify our efforts and extend these programs to include everyone potentially employable. He would probably place more emphasis on government, especially the federal government, as "employer of last resort" as well as job training and the creation of millions of new jobs in the service industries. He cites research which in-

dicates that over five million new service jobs could be developed in the public sector alone in such areas as health, education, and welfare without the stigma of make-work. Professor Killingsworth urges that new programs and new approaches directed at the problems of hard-core unemployment and poverty complement rather than replace older programs and approaches. Specifically, he urges that the institutional approach to vocational education and manpower retraining be expanded, not cut back, as on-the-job training becomes more accepted and favored by the policy-makers and program planners.

The unique feature of the paper by Professor Cauthorn is its use of the systems approach to present many revealing insights into the fundamental nature of hard-core unemployment and the nation's lack of success to date in devising a workable solution for it. To Cauthorn, our failure to resolve the problems of poverty and hard-core unemployment can be explained almost solely in terms of our inability to recognize and admit that hard-core unemployment is a system contained by the larger system and existing in dual relationship to it. Unwilling to recognize hard-core unemployment as a systems phenomenon composed of individuals who often relate to their environment in ways which differ systematically from the ways of the larger social system, the dominant and legally empowered system has blithely proceeded with new programs based on the same fallacious assumptions responsible for past failures. Newer, more rational and insightful approaches are lost in the scramble to do something for the poor.

According to Professor Cauthorn, the problem of hard-core unemployment persists not because of its insolubility, but rather as a function of the shortsightedness, the narrowmindedness, the institutional inflexibilities, and the array of barriers erected by the dominant system under the guise of progress and the perpetuation of an orderly society. The culprit, if one reads Cauthorn correctly, is the impersonal industrial system with its emphasis on production, efficiency, and profit where individual worth is measured by the presence or absence of marketable skills, and programs for the poor live or die on the basis of measurable market-place cost and returns.

If we are to solve the problems of poverty and hard-core

unemployment says Cauthorn, we must scrap most of our assumptions about the hard-core poor, the work process, and the place of work in our lives—indeed, all those assumptions spawned and nurtured by a dominant system out of touch with the realities of the hard-core unemployment situation. We must recognize that much that is applicable in dealing with conventional problems of unemployment may not be helpful (and might even be a hindrance) in meeting the needs of the hard-core unemployed.

Cauthorn discusses several factors which seem to impede greater progress in dealing with hard-core unemployment. First, we do not have a theory of the employment process sufficient to the task of eliminating hard-core unemployment. Second, we do not have in operation a satisfactory understanding of the social-psychological meaning of work. Third, in a field so heavily dependent upon training for results, we do not have an adequate theory of vocational schools or other learning environments devoted to "readiness building." Finally, and perhaps most important, we do not understand as well as we should the interplay of all these factors on our problem material. Given this appalling ignorance about what is needed to integrate the hard-core system with the larger system, it is more than unfair to insist that decisive and meaningful action on behalf of the poor await the hard-core system's adoption of the attitudes and values of the larger society.

In the opinion of Professor Cauthorn there has been too much telling the poor what they must do and how they must act; what skills they must have and how they must acquire them; what jobs to perform and how to perform them. There has been too little listening to and learning what the poor and hard-core unemployed want and need to become effective, productive, and happier members of a progressive and increasingly complex society. His recommendations are quite simple and clear: We must start now to listen to the poor and begin now to redesign many of our jobs to fit the capabilities of the hard-core unemployed, as we have done, for example, for the physically handicapped. Our basic theories of work and notions about the place of work in our lives and the lives of the hard-core unemployed are, admittedly, in a state of flux and must be re-examined. Biases must

be eliminated and outmoded theories scrapped. If the effort to make work more rewarding and humane requires increased government participation and expenditures, there can be no higher purpose for such expenditures.

The paper by Professor Gurin is an analysis of the psychological, motivational, and expectancy characteristics of the poor and the hard-core unemployed. In first briefly considering the earlier manpower training and development programs, he finds that the nature of the programs reflected the prevailing attitudes toward the poor at that time. Training programs were concerned with providing the participants with new social skills and work skills so they could re-enter the competitive job market. The poor were somehow different from the nonpoor and those who were employed—different in terms of general attitudes, educational background, and work skills. Consequently it was thought they must receive therapeutic treatment to enable them to make the proper adjustment to the real world outside the training setting. Gurin contends that the preoccupation with the provision of social skills in the earlier institutionally oriented training programs often interfered with the real objective of job training and providing skill competence for trainees. To the extent that the socialization process precluded the trainees from acquiring a skill competance that was marketable, the motivation and expectancies of the people were not enhanced but further retarded. With the recent major shift to the on-the-job training approach and with major changes in the institutional retraining programs, this is no longer as serious a problem as it once was.

Citing several studies concerning psychological, motivational, and expectancy issues among the hard-core unemployed and the lower socioeconomic groups, including his own recent study of hard-core unemployment in a large metropolitan area, Gurin concludes that effective programs of job training and job development must be reality or situationally oriented if they are to have a lasting impact. The recurring message throughout this paper is that whether the concern is the internal-external control attitudes, the expectancies, the psychological motivation of the hard-core unemployed, or the generalizability of success experiences from the project setting to the real

world, the most desirable approach to job training is a program that reflects the realities of the work place and the real world, including rewards and frustrations. The major task is to so design the program as to enable the trainee to see that his successes are usually closely related to his own efforts and that there are indeed chance factors, over which he has little or no control, which are unrelated to his own preparation and abilities and strivings. This is crucially important, says Gurin, not only for the proper adjustment of the hard-core unemployed in terms of job performance, but also for the longer term, general psychological and motivational growth and development of the hard-core unemployed. To be successful in the long run, training programs must enable the poor who are participants in job training programs to generalize their experiences of success to new tasks, to new situations, and to new nonwork-related problems which they confront.

There are several common threads which run through all these papers. All are saying: Listen to the poor. Don't ask them to do all the changing, our institutions must also change if the poor are to be fully assimilated by the larger system. Dismiss stereotypes. Involve the poor. We need them and their ideas. A growing, healthy, prosperous economy is a prerequisite in any solution to the problems of the poor and unemployed, but this leaves at least a large hard-core residual. Killingsworth infers that the conditions of prosperity even worsens the problem of hard-core unemployment by distorting the nature and scope of the problem and postponing lasting solutions. Cauthorn feels that we must meet the poor half way. In his opinion, the hard-core system will remain and become more intractable until the channels of communication are opened. And finally, we must acknowledge the similarity of the poor with the remaining nonpoor population and that any differences are probably attributable to the powerlessness and lack of choice among the poor rather than being genetic or cultural. We must listen to their ideas and learn from them, admitting that what they have to say is worthy of our consideration. The nature and success of the programs developed for the poor

will reflect just how well we listened to and learned from them.

These papers and other recent research of similar nature point up the tragic truth about contemporary American society: that it is too white, too materialistic, and too tied to the doctrines of Adam Smith. By insisting that the natural urge of selfishness, working through the great industrial-capitalistic-profit system, will result in the greatest mutual benefit for all members of society, it has made it impossible to generate any genuine enthusiasm and dedication to the development of programs concerned with people as just people, unimpeded by the need to justify programs by cost-benefit analysis and considerations of alternative priority areas.

The growing internal strife and the decay of our cities and countrysides are depressing and urgent reminders of the terrible price we are paying for our failure to recognize the need for massive programs to prepare man for constructive life on earth. The preservation of man on earth may soon require that our system of values be transformed to reflect man as paramount and not his inventions: his machines and institutions.

The Shifting Debate on Poverty

Robert J. Lampman
Professor of Economics
University of Wisconsin

THE EFFICACY OF ECONOMIC GROWTH IN REDUCING POVERTY

The current debate on poverty may be said to have started in 1958 with the appearance of John Kenneth Galbraith's *The Affluent Society*. It is a curiosity of our culture that many books are misunderstood because of their titles. For example, many people think *The Ugly American* to be about a villain of some sort. Actually, it is about a great hero; he was ugly, but he was a hero. *The Affluent Society*, many think, is about how rich we are and the problems of richness. Galbraith himself says the book is essentially about poverty. As of 1958 poverty in the United States, he claimed, was no longer a matter of general poverty but rather of poverty of two very specific kinds, "case poverty," the poverty of the individual person who is sick or in need of some special help, and the "island poverty" of a group of people living in some pocket or slum and unable to get out of it. He suggested that neither of these kinds of poverty would yield to general economic prosperity and economic growth. So he said, let's forget about economic growth as a principal way to get rid of poverty and divert our attention to deal with these special problems.

I was asked by Senator Paul Douglas, at that time Chairman of the Congressional Joint Economic Committee, to review Galbraith's book and, in particular, to take up this thesis about whether economic growth really was related to the poverty problem. In my response, published as *The Low Income Population and Economic Growth,* I argued that economic growth would still be very beneficial to the low-income people in this country. In fact, it seemed to me that Mr. Galbraith was quite wrong. While it was true that there was some case poverty and some island poverty, there was also still a lot of what we might refer to as general poverty.

There were a lot of people who were poor at that time who were neither sick nor living in what you could call pockets of poverty.

That particular debate has continued and is still apparently a lively one among various people. Some say, "Well, Galbraith was right but his timing was a little wrong. The next ten years maybe are going to be like that." If we review the ten years following 1958, we see quite clearly that economic growth and general prosperity, to the degree we have had them, have been associated with a quite rapid reduction of poverty. In the years from mid-1959 to mid-1963 we had very slow economic growth. Unemployment was high and there was a lot of discussion about structural unemployment versus aggregative demand unemployment and so on. And the rate of poverty reduction in those four years was about 1 million persons per year. However, in the period 1963-1967, the unemployment rate at first gradually and later rather rapidly fell, and real family income rose much more rapidly than it had earlier, and the rate of poverty reduction stepped up to 2 million persons a year or a little more. So this has been a period of time in which the number of people in poverty has fallen quite dramatically and the percentage of the population in poverty has fallen. In 1959, 22 percent of the total American population was poor. In 1963 the number had dropped to 19 percent, and by 1967, the latest year for which data are available, the proportion of Americans who were poor had sunk to 13 percent. The rate of reduction in poverty seems to be quite responsive to change in the rate of overall economic growth and to the general level of unemployment.

There is still a lot of debate about whether poverty is essentially a matter of health of the general economy or whether it is a problem of specific groups who are somehow left out of the mainstream of the economy. It is true that as we look ahead this debate becomes a little narrower and the area for disagreement becomes somewhat less. The degree to which the poverty population differs from the rest of the country is increasing. A few decades ago the low income population in the United States, as defined by the 1963 poverty lines of $3315 for a family of four in a nonfarm setting, could be said to be only a slight distortion of a cross-section of the total population. This is less and

less true as the percentage of the total population that is left in poverty is reduced, it now being at about 13 percent. It is true that about half of the people who are in poverty are in some regard quite unusual and quite different from the total population. That is, they are old or they are disabled or they are women heading families with small children in them, or they are people who suffer from the very real handicap in this country of being black. But the most common characteristic that identifies the poverty population is lack of education. Over two thirds of the heads of families in the poverty situation have less than eight years of education. However, it is still true that at least half of the people who are in poverty are in many regards not notably different from the rest of us, and so we could say very often in talking about poor people that there but for the grace of God go I.

Generally, then, there has been a debate about the characteristics of people in poverty and how they relate to the general growth of the economy. Over the last ten years there has continued to be a responsiveness of the poverty rate to improved economic conditions. The current situation is somewhat different than it was ten years ago when the foundations of the Johnson campaign against poverty were being discussed in Congress and among people writing books in this general area.

STRUCTURAL VS. AGGREGATE DEMAND THEORIES

During this period Mr. Humphrey was asserting that there was a problem of poverty in depressed areas. He urged this very strongly on his opponent in that campaign. John Kennedy was receptive, after he became President, to a continuation of the discussion of the general problem of poverty. He had been impressed by these problems during his visits to West Virginia and other parts of Appalachia during the 1960 election. It was not, however, until after it appeared quite likely that the tax cut of 1963-1964 was going to pass that his Administration began to look at special problems of poverty. There had been much discussion about structural problems in the economy, and there were two schools of thought in Washington. One was that the high rates of unemployment were due simply to lack of

total demand. Another school thought it was due to automation, the changing nature of industrial production, and inappropriateness of workers' background and experience to the demands that employers had for them. The latter can be called a structural argument. The tax cut was Mr. Kennedy's way of responding to the lack of total demand, and once it began to seem that it was going to pass, he looked around for ways to deal with the problems of those who might have been thought to be in structural difficulties.

There were many criticisms of what the Kennedy Administration had been up to up until that time. It was pointed out that the tax cut itself was not going to do anything directly for the poor. The tax cut was in some rather fair description a rich man's tax bill; in fact, if you had a low income you got no tax reduction at all. If you were not paying income tax to begin with, then you received no tax benefit. Similarly, some of the reforms did not reach the poor very well. For example, in its beginnings the Manpower Development and Training Administration reached rather high into the labor scale. It tended to get people with high school educations or even better; it tended to get people who had favorable employment records, were eager for training, and were likely to be selected by administrators who wanted to make a good record of placement of the applicants. This and other parts of the manpower program were not really reaching out to the people who needed it most.

Kennedy was responsive to suggestions by Walter Heller, his Chairman of the Council of Economic Advisors, that there should be a special kind of program to reach out to the poor. During the early stages of the planning of the Kennedy campaign for reelection that was to be in 1964, this was put on the agenda as one of the possible themes. As it turned out, of course, the planning for this campaign was most tragically interrupted. But Mr. Heller was in a position to present to the new President on the first day he was in office a proposal for some kind of coordinated proposal for some kind of a coordinated program against the general problems of poverty.

THE DEFINITION OF POVERTY AND STATEMENT OF GOAL

There was general agreement within the Johnson Administration that it was necessary to reach out to people who were not being touched directly by some of the earlier programs of the Kennedy Administration. The discussions that were taking place fostered another debate, between economists and sociologists, concerning the definition of poverty. For economists, the matter was quite easy. Poverty is lack of income, lack of purchasing power, lack of the ability to sustain a reasonable standard of living. Sociologists within the Administration stressed that it was not only money, but also some other things, among them exclusion from various types of participation in society. To be poor, they said, means to be left out. It means to be ignored. It means to be just a kind of cipher in the total society. It is possible to imagine that even if we eliminated the poverty income gap, there could still be something which could be called poverty. At least in the first round the economists won, and the President in his opening statement about poverty in the State of the Union message did say poverty means low income, an income for a four person family of less than $3000 in 1962 prices.

People are still very much perturbed about defining such a difficult concept as poverty. There are many who resent the fact that the nation, through its President, refers to them as poor if they happen to have a low income. There are others who are concerned that they have an income above $3000 yet are not thought of as poor, though they often certainly are. They feel discriminated against because they are mostly left out of poverty programs. Perhaps it was unfortunate to suggest that $3000 is a real dividing line. The original notion about the economic definition of poverty was to quantify something. Then it can be said that this is the size and the rough nature of the problem in quantitative terms, and one can tell if progress is being made.

This definition of poverty allowed us to measure it on a national basis, and perhaps gave us the idea that we could achieve something if we reduced that rate 1 percent or more a year. Unfortunately, the President never got around to saying what rate of reduction of poverty would be

desirable, or any other quantitative aspects of it in terms of calendar time. We are still in the stage of developing this goal in sociological and political, as well as economic, terms, and it has still not been refined to the point where we can say that we have a timetable.

SPECIAL PROGRAMS AGAINST POVERTY

The first big front in a war on poverty is the one on general economic growth. The second is the spending of federal, state, and local funds to help the poor in one way or another. One easily envisioned stream of money of this kind is that going out in the form of social insurance and public assistance. Between 1964 and 1967 the total payments from this source grew from $33 billion to $46 billion. There has been, in other words, a rapid maturing of some of our welfare programs, most particularly in old age, survivors, disability and now hospital insurance—the Medicare feature of the social security program. Not all of these funds, of course, have gone to the poor. In addition to these social insurance and public assistance funds, educational, health and other service programs have received increased funds. Total cash payments to the poor plus the value of actual services flowing to the poor plus the value of actual services flowing to the poor from federal, state, and local governments, rose from $34 billion in 1964 to about $40 billion in 1967. The Office of Economic Opportunity budget of under $2 billion a year is clearly only a small part of this increase. Large parts come from Medicare and Medicaid funds, federal aid to low income school districts, vocational education, and job training. Increased voluntary efforts have also been made by churches, associations of professional business leaders, and the poor themselves.

How well have these service programs worked? One broad type of effort has been simply to equalize the access to general community services. The police, the courts, the schools, welfare administrators, churches, libraries, hospitals, and many others have learned that there is much they can do to improve the quality of service to the poorest and least demanding of their clients. This learning process has been led by a new crop of specialists in the several

professions on the problems of the poor. They have learned to work with previously unidentified leaders of the poor. They have established new rights, new ways to enforce old rights, and have spread knowledge of such rights. There can be no doubt that this campaign to equalize community services has improved the prospects for some poor persons to seize opportunities to escape from poverty. There seems to be no necessary clear correlation, however, between the amount of money we spend on some of these programs and the benefits that flow from them. For example, the Office of Economic Opportunity budget for legal services for the poor has been very small, but the benefits appear to have been substantial. In various states, these legal aid helpers have found access to services on a wide scale; they have established new rights all the way to the Supreme Court with new interpretations of the Constitution.

Another type of service can be classified as not just equal treatment, but remedial or compensatory programs to overcome deficiencies of historic origin. If a child from a poor background is to be ready for school he may need special Head Start training, special health care, and even food. Some youngsters need a way to finance completion of high school or special training. The Neighborhood Youth Corps, Job Corps, and on-the-job training programs point the way. If real equality of opportunity for higher education is to be assured, those from poor families need the outreaching services of an Upward Bound program. We have learned that such compensatory programs do assist many youngsters to achieve more in school than they otherwise might. It is, of course, too early to know whether they will result in a significant change in the rate of poverty reduction overall for the country. But some early indications are that we can expect relatively low benefits along this line from each dollar that we spend on such programs.

It is still too early to tell about many of these programs. In the case of Head Start it is a long way off before we will know how the actual results come out. Moreover, the push for equal and specialized services to the poor has produced a political and general social backlash. The new alliance between experts and the poor themselves has rubbed hard against many of the lower middle class. Many of the

programs are of short duration and limited in scope. They were, indeed, intended to be so by being only pilot programs, experiments, or demonstrations in selected communities across the country, which has caused bitterness among those dropped from the program and those left out altogether. The mere promise to spend more for the poorest than for those not quite so poor has aroused resentments of its own.

PARTICIPATION BY THE POOR

The most controversial of all the antipoverty activities during the last four years, and about which there has been more public debate than any other, is that effort called for by the Economic Opportunity Act to achieve "maximum feasible participation of the poor" in what is known as "community action." This aspect of the OEO program was brought into being by a group from the Attorney General's office who had been working in juvenile delinquency, and it was furthered by some experiments that had been conducted in the New Haven area with Ford Foundation grants. Community action then was a special effort to introduce the concepts of the poor themselves, to get them involved, and to have them feel a part of the community in which they lived.

Patrick Moynihan points out that it is destructive to teach the poor that their salvation is assured if they will only organize to knock down the walls that bar them from opportunity. We also have learned that organization of the poor has not always been directed to the attainment of the equal and special rights referred to above. In certain instances such organization has drawn the poor into a general struggle against city hall or against the system without any assurance that it will advance their cause. Some who advocate organization of the poor are indeed less concerned with poverty than with exploiting the energies of the poor in visionary efforts to transform the larger society and usher in a new social order. Yet community action has been responsible for numerous advances in many specific areas. The fact that the poor have been involved in planning community efforts has been important in getting the kinds of things that were most wanted and

often did the most to help people in their struggle to get out of poverty. The debate over community organization continues, but I think there would be agreement on this point that participation by an organized poor community may be a necessary condition to a successful prosecution of the poverty war. It is not, however, a sufficient condition for rapid progress against poverty. It can take the poor only so far.

Those who have been involved in community action projects across the country, and in diverse projects running all the way from recreation to housing, medical care, legal services, preschool training, job training, and special on-the-job training efforts, are coming toward a common understanding that while poverty has many facets and special problems, it does have a central core—job opportunity and income. Perhaps it was not unpredictable that the specialists on the various problems of the poor would become advocates of general as well as specific remedies, since the problems in one field, for example, in schools, often relate to problems in other fields, for example, housing or health. These problems stem in turn from basic matter of income, which can come only from jobs or income maintenance programs. There has been a gradual recognition by community actionists that, as Michael Harrington put it, "There is no simple nor even bloody way to abolish poverty." The poor lack the power to force the passage of any sweeping federal legislation. That will require a new political majority.

LARGE-SCALE PLANS FOR JOBS AND INCOMES

Out of this debate about a large number of special projects in various local situations, there have been several calls in the war on poverty for ultimate weapons. It is interesting, in looking back at the 1964 statements by President Johnson, that he said nothing about jobs or about income maintenance. Those were, of course, the two slogans that were much in evidence in June 1968 when the Poor Peoples March on Washington was held—"government as employer of last resort" and "guaranteed minimum income." Even a partial response to either demand would represent a significant escalation of the war on poverty.

In the discussion about jobs, income, and these ultimate weapons approaches, it is very unfortunate that there has been a terrible misunderstanding or miscalculation about the size of the effort that is required. Spokesmen for one cause or another have said, for example, that we could wipe out poverty for $10 billion. They reason that that is the size of the so-called poverty income gap, and that if we just somehow wrote a check for $10 billion, that would be the end of it. This is a miscalculation, and I think the cost would be at least $30 billion.

For example, how much would job creation by government, with the government serving as employer of last resort, cost as a way to solve the poverty problem? Most of the poor aside from the aged, disabled, and women with small children at home are in families with a head employed most of the time—most of the poor are in families where employment is the common situation. At the same time, most of the people who are unemployed at any one time are not poor. In other words, if you just take a cross section of unemployment, most of the people who are unemployed at the moment are not poor on an annual income basis. Thus there is likely to be a serious discrepancy between the number of hard-core unemployed who are poor, and those who would like to have a government job with regular employment at the minimum wage rate. There would be a lot more people than those counted as unemployed who would apply for a government job if it were made available to them. But if a limited number of such jobs were carefully rationed out to those with the poorest employment prospects, then we would create a gross inequity between those who get such jobs and the 10 million who would continue on their present jobs at less than the minimum wage.

Senator Eugene McCarthy, when he was running for the nomination for president in 1968, was talking about 5 million jobs to be created. Other people have talked about several million, being a little less certain of the number. But who would get those jobs? How would you get them to the people who actually need them, and how would you then reconcile yourself to the possible inequity that some people who have not been employed and have been working steadily all the time at below minimum wage rates would not be

eligible for such jobs? To avoid such inequities and to really strike a major blow at poverty, this approach would have to be on the scale of several million jobs. Suppose it costs $4000 a job. Even 2 million jobs would then cost $8 billion a year, and only a small part of the total number of people would have been touched. There are as of now something like 26 million people who are poor, in about 6.5 million families. Of course, one can ask what would be the possibilities for maintaining high morale with such an operation with these especially created jobs by the government as employer of last resort? And what would we do about the fact that a flat annual wage might exceed the poverty line for a small family, but fall short of it for a large family?

The latter consideration points toward a guaranteed minimum income with a guarantee equal to the poverty line for each family size. But such a straightforward plan to fill each family's poverty income gap would surely cost much more than the existing nationwide gap of $10 billion. It is open to the possible abuse that many of those with earnings and property income of less than the poverty line, and some of those just above the line, would find it not worth their time to strive for earned income if it is to be completely offset by a reduction in their guaranteed income. This means that the plan would cost at least $20 billion a year, in addition to what we are now spending on assistance.

It is worth repeating that most of the poor are in families where there is a person working most of the time. This strongly indicates that any guaranteed income plan must build in some incentives to work and save. The person who adds to his earned income must be assured that he will not have that addition fully offset by a reduction in his benefit. But such a feature adds to the cost by making many more people eligible for benefits of some size and would cost about $25 billion. There are proposals for guaranteed income or negative tax plans that would have a guarantee of the poverty line and then a 33 percent rate of offset. This would reach up to $9,945 of family income for four-person families, and that would include well over half the total population. Some people are seriously talking, in the scholarly community at least, about programs of that kind. Such a program would cost about $50 billion a year.

We are talking in impossible terms, I believe, when speaking of programs of that scale. One way to avoid such huge costs is to cut the level of the guarantee. But to cut it very much will not only take it below the poverty line but also below assistance levels in many of our high income states. In New York, the assistance level for a family of four is now around $3000, whereas in Mississippi it is about $500. We have great variations among the states, but we would have a problem if we cut this guaranteed income level down much below $3,000 in talking about a state like New York.

Suppose we were to set aside the idea that we are really going to replace public assistance with the guaranteed income and adopt the idea that we are going to do something else with it. Now here I am talking about my part in the current debate, my own proposal. At the present time out of 26 million people who are poor, a little less than 9 million are on public assistance. In other words, 17 million people who are poor are not on public assistance. They are not, most of them, easily reached by any of the categorical programs, Old Age Assistance, Aid to Dependent Children, Aid to the Disabled, and Aid to the Blind. Maybe a negative income tax or guaranteed income plan of some kind could be devised that would fit the needs of these people—"the working poor."

What would it be like and what would it do for them? We could do a great deal at relatively low cost without inviting the working poor to stop work by setting a low guarantee, say $750 for a family of four, and allowing the family to keep this without any offset for the first $1500 of earnings. This could be described as a "set aside" plan; that is, you set aside the first $1500 of earnings and let people keep their allowance or guarantee or supplement, or whatever you want to call it, undiminished by those earnings. The benefit would then be diminished by 50 cents for each dollar of additional earnings, until the benefit equals zero at $3000. Such a plan would fill half the poverty income gap for most working poor families and would do so at a total cost of about $4 billion.

One alternative to the particular plans I have been mentioning is government subsidy to private jobs. President Nixon has suggested he has a preference for this kind of

idea, giving private employers a special advantage if they will hire hard-core unemployed people from poor families in poor locations, train them, and bring them into the economic mainstream by that means. Another alternative is that of children's allowances of the kind that we find in Canada and England and in most European countries. We could have increased benefits and easier eligibility under existing social insurances, for example unemployment compensation. It is an ironic fact that most of the unemployment compensation paid out goes to people who would not be poor in the absence of unemployment compensation. A great many of the poor are not eligible for unemployment compensation in many states, or they get small amounts if they are eligible. Therefore, some people have urged that we revise OASDI and revise unemployment compensation some way to reach the poorest families better.

There is no apparent consensus today as to which plan should have priority or how new money should be allocated. If $20 billion were to suddenly become available, there would not likely be ready agreement among all the economists, sociologists, and employment service people as to which things we ought to do first.

CONCLUSION

We have had a number of items up for debate concerning the question of poverty in the 1960s. A number of them have diminished in importance, but some are very lively. There is clearly a lot of interest across the country in this matter of poverty. The Nixon Administration will have a hard time making up a budget for continuation or modification of the concern that has been expressed by earlier budgets. Throughout all this debate we as a nation have learned much about the general issue of poverty. We know that economic growth, full employment, and improved income maintenance are weapons with the greatest short-run payoff in a war to reduce the number of people in poverty. We have learned that poverty, which still touches almost 26 million people in varied circumstances, has many causes and needs many remedies. Among these are new access to general community services, including the employment service, and the introduction of new remedial

and compensatory services, including special kinds of job training and special kinds of health care. Community action by the poor, it seems to me, is a hazardous and an uncertain route to the reduction of poverty. In any event, it is not sufficient. We have had numerous studies and much debate among the experts and among some political figures concerning new proposals for the creation of special jobs for the poor and variations of guaranteed income. But we have not had any consensus yet, and I would argue that it is not simply a lack of national will that stands between us and some new steps in dealing with poverty. There is a matter of substantial, uncertain costs coupled with a lack of agreement concerning the best way to proceed. We have, however, made some progress in at least getting these calculations and considerations on the national agenda.

In the meantime, it is very important to maintain the momentum of the last several years on the health, education, welfare, housing, labor and other fronts, because all of these are essential to victory over poverty.

The Public Employment Service and the Special Problems of the Hard-Core Unemployed and Other Disadvantaged

Frank H. Cassell
Professor of Industrial Relations
Graduate School of Business
Northwestern University

It is difficult at best to look ahead when a nation is so preoccupied with its problems, problems which escape quick and easy solution. But it is at such times that the need for a vision of the future is greater than ever. People need to lift their sights and to rearrange their priorities. Looking ahead, however limited in time, can reawaken in a people a new sense of purpose.

A dominant tenor of our time seems to be a desperate desire to stop the clock and turn it back. But we will *not* turn the clock back. Nor, if we really thought about it, would we want to return to the past, not if we look ahead at the prospects in just one field, employment.

Given any reasonable economic policy, the prospect for the future is not less jobs, a robot society, mass unemployment or enforced leisure, but greater employment to produce the goods, and especially the services, we must provide as our population reaches to nearly 400 million by the end of the century.

The opportunity exists to put into the job market, into full-time productive work, not only those "able, willing, and seeking to work," but those who are not "able" for some reason, but "willing"—the underemployed, the unemployed, the disadvantaged, and the discouraged. Not only do they need and are entitled to jobs and income, but we also need them.

GOALS FOR THE FUTURE

Vigorous pursuit of the nation's goals in the 1970s will be a major factor in generating the economic growth needed

to sustain high levels of employment. We are not about to turn our backs on our people, any of them. There will be more and better educational opportunities and employment for all. We shall need the resources of the disadvantaged groups, as they will add significantly to our capacity to achieve the national goals by reducing manpower bottlenecks.

Reducing the backlog in rebuilding cities, providing facilities for health and education, improving our environment, and expanding the frontiers of technology will both serve social values and create jobs at all levels. As we devote more of our resources to our priorities, we increase requirements for physicians and nurses, for social workers and teachers, for craftsmen and construction workers, for scientists, engineers, and technicians. Bottlenecks in critical occupations can frustrate efforts to reach these important goals. A recent study by the National Planning Association reported that if we were to achieve the relatively conservative goals laid down by President Eisenhower's Commission on National Goals, we would be 14 million workers short of what this country is expected to have in its labor force by 1975. Implementation of the recommendations of the Kerner Report in the areas of education, housing, job creation, and social welfare alone would create 3.3 million jobs.

The accomplishment of these national goals together with normal occupational shifts arising out of economic and technological change has as the decade of the 1970s begins resulted in:

- —more than two out of every three workers producing services rather than goods
- —more than one in six workers engaged in some government enterprise, mostly at the state and local level, predominantly in education
- —less than 5 percent of all workers producing all of the agricultural products
- —more than one out of every five workers earning a living by selling (trade)
- —less than 9 percent of all workers being unskilled

In the short run the picture is no less optimistic. A transfer of resources from Vietnam to the domestic econ-

omy would in industries affected by cutback reduce employment by 72,000 for each $1 billion cutback in production. But industries which would increase their output because of offsetting programs would add 88,000 workers for each $1 billion increase in production (National Planning Association projections in 1969 dollars). A $20 billion cut in defense expenditures would, because of offsetting programs, create a net total of 325,000 more job openings than jobs lost as a result of cutbacks in defense orders.

As various interests compete for money freed by military deescalation, what employment implications arise? The $20 billion released by the transition from war to peace will not be available instantaneously, but an annual increase of from $2 billion to $3 billion in resources would not only result in a substantial increase in jobs, but would provide the time needed to retrain people for work in the domestic economy. From the standpoint of the nation's internal strength and stability, this shift in resources is clearly imperative. No token effort will do; adjustment of imbalances in employment and unemployment will have to be supported by a national will.

Furthermore, those concerned with reducing unemployment must be aware that other interests, the military establishment, those who want lower taxes, and others will be competing for these savings; and there are those who see our world prestige more in terms of escalation of nuclear power than in terms of our capacity to build a strong and healthy society. I would like to think that our leadership is committed to the national goals which place in first priority solution of our domestic problems as the way to ensure our leadership in the world. This is the premise upon which I proceed.

We have come a long way since 1946, when the Employment Act undertook to create conditions of maximum employment. That legislation was a product of the experiences of the Great Depression and World War II. Its objective was to reduce mass unemployment, an unemployment which was no respecter of skills. At that time, federal policy was colored by Depression philosophy—jobs, any old jobs, make-work, for the millions who needed it and who were "able, willing, and seeking to work," as the Act declared.

Now, masses of people have been back on the job for years, the prosperity of the 1960s has been of long duration, unemployment levels have been steadily driven down. The basic promise of the Employment Act was to use every means available to increase and sustain economic growth so that the total job supply would absorb all who were able and willing to work. This has been increasingly realized. Furthermore, substantial gains have been made toward eliminating many of the barriers which stood in the way of people and prevented them from taking advantage of the opportunities generated by our prosperity and growth.

But despite the unprecedented economic growth and high employment of the 1960s, the relative position of the rural and urban slumdweller has not improved but worsened. It is this disparity which has helped to create the oppressive conditions in our city ghettos and our rural areas. The nation has provided jobs for the 7.5 million net added to the civilian labor force in the last eight years; in fact, the job total actually went up 9 million, representing a significant dent in unemployment. At the beginning of the 1970s it is half what it was at the beginning of the 1960s. With the decline in agricultural employment, the slack had to be taken up by the nonfarm sector which increased its job total by over 10 million. This is the equivalent of more than 100,000 new jobs every month!

Merely to keep pace with the number of persons entering the labor force, and to keep unemployment at current levels, 1.5 million jobs had to be created each year; from 1966 we actually created 1.9 million jobs per year. This is why unemployment declined. However, despite reducing the rate of unemployment by 50 percent between 1960 and 1968, the record of unemployment of the black, the rural poor, the Spanish-speaking, and the unskilled grew relatively worse; the gap between the growing numbers of the affluent and the poor widened. The paramount reason for this, and perhaps it is the greatest problem facing us, is a selectivity of unemployment that did not exist a generation ago.

Unemployment in America is increasingly concentrated among those less prepared to cope with increasingly sophisticated work, i.e., among blacks, women, the poor, the young, and the old. New policies must be formulated to bring the jobs within the reach of those who need them, as

well as to bring the people within reach of the jobs. To this end the country has committed itself to fresh directions in the field of legislative action designed to crack the barriers of selective unemployment. This has resulted in an explosive growth of training and education programs, more than in all our past history combined. The Manpower Development and Training Act, the Vocational Education Act, the Economic Opportunity Act, and the Elementary and Secondary Education Act are only part of a wide and diverse program of legislation covering such areas as health, rehabilitation, and student assistance. Provision has been made for massive increases in the national educational effort. The effort to open up more jobs "where the people are" began with the original Areas Redevelopment Act and continues with the current Economic Development Act.

Many of these programs focus on particular areas or on important special needs, such as those of the handicapped and the educationally disadvantaged. Others involve tens of millions of people in educational programs, an unprecedented concentration of educational and training change. Some of these programs include:

- —basic adult education to remedy poor early schooling and to help the individual adapt to change
- —training for entry-level skills for those not equipped with a basic education
- —prevocational orientation to expose those of limited experience to job alternatives
- —work experience for those unaccustomed to the discipline of the work place
- —work experience for those still in school
- —subsidization of private employment for the disadvantaged
- —creation of public service jobs to meet the needs of people who are not absorbed into the competitive labor market
- —refresher training for those returning to the job market
- —outreach to encourage the discouraged and motivate them to use services that are there

—supportive services, such as medical and dental care, for those who need them to enter jobs or resume work, or daycare centers for mothers with small children
—development of job opportunities suited to the abilities of the disadvantaged
—residential facilities for those whose environment militates against rehabilitation
—relocation allowances for those in high unemployment areas; special incentives to employers to bring jobs to people stranded in depressed areas, whether rural or urban

Of greater possible significance for the future has been the responsible involvement of the private sector in manpower and training efforts, in creating opportunity, in making available training, job sites, and machinery, in altering job specifications to fit the supply, and in providing untold hours of advice, counsel and encouragement. Such has been the response of American business as represented by the National Alliance of Businessmen (NAB or JOBS).

The task however is hardly begun. We still dump the underprepared into the job market pool faster than remedial programs siphon them off. About a million people are added to a backlog of 20.6 million people who are over eighteen and have no more than an eighth grade education. Another million spend as much as six months a year looking for work, unsuccessfully. Nearly 2 million are jobless from three to six months a year. Another 2 million work part-time while seeking full-time work. Four million neither work nor seek work and to all appearances ought to be working. There are 6 million who work full-time for wages that still leave them in poverty.

What have we learned as the result of all these efforts and experiences? For one thing, we now know that aggregate demand, though an indispensable prerequisite to putting people to work, will not employ millions of Americans who do not fit the jobs which need to be filled. We have learned also that the application of both money and human resources to fit people to jobs is feasible only if there are jobs at the end of training project. Without minimal job

survival skills many Americans simply cannot get and hold jobs. Like medical problems, they are unique to the individual. Therefore, they need to be diagnosed and treated individually. Programs designed to meet the *average* needs of people cannot meet individual needs.

It has been demonstrated that when adequate money resources are mobilized to support the coupling of good teaching with individualized and personalized attention, exceptional results can be achieved. We have learned, too, that mere availability of school and training resources and even jobs will not get some people employed. Many have to be reached and encouraged and helped on a person-to-person basis to overcome shortcomings. That is why mass programs, or such proposals as the negative income tax, fall short of coping with individual needs. The assumption cannot be made that, given enough economic motivation, all people will respond in a satisfactory way by taking advantage of training programs, trying to improve themselves or remedy deficiencies so that they can get a job and keep it. Some people, perhaps most, will respond, but there will be many who will need personalized help.

We do not need to be reminded that there is another side to the employability equation, the employer. There is a complex interaction of the work environment and the new worker which can make or break the employment process, often exacerbated by racial tensions. It is not enough for the corporation president to pledge jobs and his good will, for down the line inexperience, ineptitude, or even outright hostility to the whole idea of extending opportunity on an equal basis to all Americans prevents corporate policy from being effective. We may have learned how to retrain management people to cope with the difficult problems of supervising people in transition to the discipline and skills of tightly linked production systems, but we have not learned how to cope with workers and managers who fear competition and who fear change.

As a matter of interest, knowledge in the managerial field is adequate to produce supervisory programs to enable the efficient employment of youth, newcomers to industrial society, and the undertrained. This type of supervisory style known as "supportive" and "participative," though widely discussed, does not prevail in indus-

try. Where used it has demonstrated its value in helping the individual to be effective in his work.

Programming, however, is only the beginning. We shall need to increase our knowledge and capability in this area. But we are moving into a stage where "how we do what we do" will be more important than "what we do". Take the matter of decentralization that is talked about so much. What is it? One brand, "creative federalism," seems to have in mind returning the planning and programming back to the states and to the cities. The phrase "grass roots planning" has a friendly, comfortable ring, but it entails that "grass roots" planning is a confrontation with government at all levels, the private social welfare institutions, and business, all of whom are engaged jointly in trying to help the poor, build them houses, and get them jobs.

The significance of "I want to do it myself," whether it is to develop jobs or start businesses, has yet to pierce the consciousness of the policymakers, who have become so accustomed to doing things for the poor and, in the case of misguided policies, *to* the poor.

The academician and the university, too, share this blind spot. What may have been a fine model, the agricultural extension service, is not likely to work in the newer situations where the byword is self-help, coupled with rejection of the notion of charity. As a matter of fact, though the academician has much to offer in solving slum problems, he has not yet demonstrated his ability to involve himself in any effective way. The businessman who wants to help is startled when ghetto people reject his help and say they do not want a branch of a white company in the slum; they want a black community-based company.

When people say "I want to do it myself" and "we will do the inviting in," they mean the social ground rules have changed, and the sooner we learn this the sooner programs will have the effect they were designed to have. Nor will plans really go anywhere under the Model Cities Program if the grass roots members of boards are merely the extension of the established political organization, which may not have been responsive in the first place.

THE USES AND JOBS

It is in this context one has to view the efforts of the United States Employment Service and its affiliated state

agencies as they strive to become a dispenser of integrated job-readiness, job-finding, and job-holding services under the Human Resources Development Program and the Concentrated Employment Plan. Effective involvement of the "grass roots" in the development and administration of manpower plans has often been thwarted at various levels of government and by the private sector, perhaps because they have not always understood what involvement meant in the minds of the poor, or because they feared involvement, or feared what it would do to the neat designs of the planners. One view even holds that the poor are the last ones to know the solutions to their problems, and that there is nothing to be gained from debating on a street corner, that one cannot learn from those who suffer from poverty.

The world of the planner and evidently some national figures are miles apart from the poor. They do not seem to understand the implications of self-determination and self-improvement, and if they do may consider it some sort of threat or capricious thwarting of well-laid plans. Commendably, the Employment Service has involved business in the job-finding and training effort, and has called for greater involvement of the private social welfare sector. However, this effort will become effective only when business, government, the Employment Service, private social welfare, whomever takes on the job, are invited in by the community. This means for the community the right also to reject it; it means substantial decision-making is turned over to the grass roots poor; that the establishment relinquish its power to decide everything for people at least until they get political representation that is effectively responsive to their needs.

National level efforts cannot possibly be effectively responsive to the grass roots if, in between, the various levels of the establishment and the grass roots are alienated over the question of self-help and self-determination, with the poor wanting the right of rejection and the establishment wanting to retain its control over what happens and how it happens. The Employment Service in particular can help to solve this problem by viewing itself as a community-based organization in which the poor have power to help decide; anything less will prevent it from carrying out the lofty goals of the Human Resources Development Pro-

gram. That is why so many indigenous employment agencies operated by community-based organization have sprung up; they have been responding to the desire to help one's self.

Organizationally this implies a community-based employment service with local citizen membership on their employment boards, but having the special advantage over all other job agencies of being linked into a larger system which enlarges job opportunity for the slum resident. The community USES as the provider of comprehensive services of preparation, readiness, remediation, job finding, and job holding becomes the community link, an integral and indispensable link to the total community, and thereby strengthens its role in both the Concentrated Employment Program and Model Cities. The ever-present danger is the possible lack of responsiveness of these coordinating units to the local community.

The progress of USES in developing "new careers" for the poor further enhances the operational feasibility of the community-based employment service, and its linkage with the world outside the neighborhood can and must be enhanced by the computer and the mobile office. The service must be a wheels and computer operation which moves with the people and industry, and which brings directly to the grass roots the aid of technology in solving their employment problems. In turn, the involvement, if it is genuine and not condescending, will strengthen the service and define its role in a way which will help make it responsive and relevant.

Finally, no discussion of manpower and the Employment Service is complete without reference to the interrelationship of rural and urban life. In any year about 6 percent of the population can be expected to move across county lines to a new residence. But a newer migration is in process:

- —southern whites moving to the north central region and to the west
- —southern blacks moving to the inner cities of all regions
- —whites from the north central region moving to the west
- —white rural migrants moving from one rural or semi-rural area to another

During the 1950s predominantly rural communities experienced a net loss of 4.6 million people. On the other hand, urban counties had a 7.3 million gain through immigration (including 2.7 million from outside the country). Poor counties (less than $3000 median family income) in 1959 lost half of their young adults of 20-29 years of age. Paralleling this is the migration to the suburbs of whites who are replaced in the inner cities by nonwhites. The problems of adjustment to new environments are myriad but a key issue concerns oversimplified notions: bringing jobs to people or bringing people to jobs.

Both types of movement will be needed; the movement of both workers and industry to the areas where they can be most productive and where they will maximize national output of goods and services. A nation which will soon consist of 300 million people will have to devise a strategy which does not continue to dump people into our already unmanageable large cities. The answer may have to be development of regional "growth centers." The economic development and job creation potential of regions must be purposive, as it was more than a century ago under the Homestead Act of 1862 and the Tennessee Valley Authority set up more than thirty years ago. Rejuvenation of rural and small town economies is needed to provide people living there with viable alternatives to living in large urban areas. Those who do leave the rural areas need help in adjusting to an urban environment. This would require:

- —massive improvement in the school systems of rural areas, necessitating federal aid and minimum standards
- —job counseling to acquaint the individual with the realities and opportunities of both rural and urban areas
- —improvement in government services in the small towns

Strengthened training, recreation, and cultural facilities in these areas could cause many people to stay there or relocate there, relieving some of the pressures on large cities. Many people would live in small towns if they could find jobs there.

There is the important new option, the New City, such as Columbia, Maryland, which could serve to strengthen rural economies, regional growth centers, and increase job opportunities. It could serve also as an economic and cultural center for the mobilization of regional resources to create employment and conditions of life which reflect the diversity of regions and strengthen their economic base. These centers could mobilize and coordinate the resources of the semirural, depressed, often unincorporated areas, and small towns unable to survive alone. The New City would draw them into a viable economic entity to produce jobs and better community life. These are the forgotten areas of the nation; they fall between the cracks as money is allocated to Concentrated Employment Programs and Model Cities. The New City, though a resource to improve and renew the life of people steadily being compressed into smaller space in the urban areas, is also an economic growth and job-creating resource which is in only the beginning of its development.

The prime task ahead during these years leading up to the two hundredth anniversary of our nation is to incorporate every man, woman, and child into the mainstream of American life. We will need everyone. No one can be left out. It its broader context, however, manpower policy must be more than a matching of people and jobs, more than work-study experience, or outreach or training, crucial as these are to our social stability. As we look ahead to the 1970s, national manpower policy should be designed to:

—relieve the nation of its occupational bottlenecks and thus aid price stability
—enhance the nation's productivity growth rate and thereby help to keep the supply of goods and services in balance with demand—and assure the successful competition of American goods and services in world markets
—facilitate the economy's growth through the availability of needed manpower
—break down the fears of those who feel threatened by the influx of newcomers to the labor market, especially members of minority groups, by having sufficient number of jobs for all who want them

- —enlarge the occupational and career choices for everyone both through their own readiness to take advantage of wider opportunities and by increasing their occupational choices, thereby enlarging options as to where they can live
- —assure that a man can move into productive work of his choosing, which is at the same time in line with his talents and interests, without discrimination
- —educate people to keep themselves as adaptable as possible to changing job needs
- —in cases of economic hardship, provide help to sustain them to the point where they can get back into the economic mainstream
- —use the programs to produce a multiplier effect by increasing the personal resources of the poor so they can contribute to the solving of their own employment problems

What is the message? Employment Service people will be important in shaping things to come. They are the people who implement the policy. If I were to suggest only one thing it would be that times are changing. The rationale of government itself is changing. The problems are too big and too close to us to be dealt with by the old book, the old rules. Even if a few people do not like it, things are different. We have got to make the country stronger by seeing to it that everybody in it has a fair chance to contribute whatever he has to give.

The Hard-Core Unemployed: Myth and Reality

Louis A. Ferman
Professor of Social Work
Institute of Labor and Industrial Relations
The University of Michigan—Wayne State University

Persons who are unemployed for long periods of time in our society constitute a large, complex, ongoing problem, even during times of relatively high employment. The significance of this problem is supported by the fact that between 1947 and 1962 long-term unemployment had risen 100 percent, while short-term unemployment rose 20 percent. We were also reducing short-term unemployment during this period at a considerably faster rate than long-term unemployment. The national concern with long-term unemployment is, of course, reflected in the anti-poverty programs of the 1960s. A significant number of these programs (Job Corps, Neighborhood Youth Corps, and Work Experience Training) are concerned with the questions of employment and unemployment among the poor. In a broad sense we have come to view the war on poverty as one of unused and underused manpower. We have seen a broad attack on the problem of hard-core unemployment in the last few years, enlisting the resources both of the public and private sector. We are undoubtedly more concerned now with the identification of the long-term unemployed and the barriers to their employment than we have ever been before.

It is important to recognize that hard-core unemployment (or structural unemployment) poses some quite different problems for our society than short-term unemployment (or frictional unemployment). Hard-core unemployment is frequently the by-product of rapid technological changes where surplus workers find it difficult to service new employment with their old skills in a particular kind of labor market. Hard-core unemployment also represents circumstances where workers are excluded from employment on the basis of skin color or other characteristics

that are irrelevant to job performance. By way of contrast, short-term unemployment is part of a normal labor-market pattern where workers are continuously changing jobs in response to some economic or social incentive (e.g. better wages) and where such shifts can be made without extensive retraining or supportive services. The primary need in frictional unemployment is good labor-market information and some mechanism to match jobs and job seekers. As such, hard-core unemployment represents a much more complex and difficult problem.

It is generally recognized that in order to increase the effectiveness of local, regional and national programs, more accurate, comprehensive, and detailed knowledge of the long-term unemployed is needed. Most of the information that currently exists is based on aggregate data, muting some of the more subtle insights that should be used as inputs into programs. It is well-known that long-term unemployment workers are drawn both from young and older workers, nonwhite workers, and the relatively unskilled and undereducated. The hard-core unemployed themselves advance many of these factors as reasons for their unemployment. While many of these factors are important, other less-known characteristics may be as limiting or even more important as deterrents to regular gainful employment. All too frequently, the hard-core unemployed are seen as homogeneous groups of individuals that can be served through some single master program. Yet the hard-core unemployed contain numerous subgroupings, as related to work history, training potential, economic and social circumstances, and work capacity; and any planning and programing for the hard-core unemployed must recognize and properly evaluate all of these factors.

The absence of a meaningful research literature on hard-core unemployment has resulted in the unchecked development both of myth and stereotype on this problem. Frequently, guesswork and partial evaluation of agency experiences have become the guidelines for practice. I will discuss some of the values, assumptions, and myths that predominate in hard-core unemployment and enumerate some of the emerging realities about these people without jobs. In doing so, I hope to suggest some of the basic principles that must be applied in any solution to the problem.

AMERICAN VALUES AND LONG-TERM UNEMPLOYMENT

There is no doubt that some of the basic American values have conditioned our thinking on the nature of long-term unemployment and what to do about it. We can identify at least five value themes in our society that have influenced our perspectives on hard-core unemployment.

*Economic Efficiency versus Social Sufficiency**

This is a familiar economic argument. At any point in time, the society has two sets of needs requiring an investment of resources. The first is stabilization or improvement of living standards through the development of new technologies, new products, and new facilities. New roads are needed to facilitate travel, productivity increases are needed to reduce unit cost, and research and development are needed to improve the quality of products as well as to develop more efficient techniques. The second need is the provision of various transfer payments or services to that segment of the society that is economically distressed. Training programs are needed for the technologically displaced, community development may be needed in the ghetto, and welfare and relief payments are needed for the most distressed. A measure of a society's progress must refer to both sets of needs. But at any time, there is a fixed pie of resources for domestic investment, and priorities must be established between both sets of needs. The argument is that an attempt to increase economic efficiency must relegate social sufficiency needs to secondary importance. This is not to say that economic efficiency and social sufficiency are always incompatible. For example, a certain degree of redistribution of resources may be necessary to prevent revolution, or a certain level of investment in welfare services may be crucial to sustain a quality work force. There is a range, however, in which one value may be met at the expense of the other. The investment pattern is

*I am indebted to Barry Bluestone, who substantially phrased the argument contained in this section.

politically determined with far more influence exerted for economic efficiency than for social sufficiency. Since it takes a massive investment to reduce hard-core unemployment, any serious effort in this direction meets resistance from the societal emphasis on economic efficiency values.

Inflation versus Hard-Core Unemployment

Societal concern is more with checking inflation than with a reduction of hard-core unemployment. A crash program to reduce unemployment by .5 percent would put 750,000 people to work. But there is a national concern with stabilizing the dollar, and national leadership favors the goal of checking inflation above the goal of reducing unemployment. The National Council of Business Economists in the closing days of the last administration told President Johnson that the society should accept a 5 percent level of unemployment as a price to check inflation and that it was indeed necessary to do so. This would mean an increase of 2 million to 3 million unemployed. In American society, there has been an acceptance of the proposition that unemployment is a price that must be paid to check inflation. By way of contrast, Sweden has chosen to accept a higher level of inflation in order to reduce unemployment. There is nothing absolute about the American position, but rather it reflects a broad middle-class interest in maintaining purchasing power. The question is: will the middle classes in our society ever accept less purchasing power as a price to reduce unemployment?

Work Efficiency and Hard-Core Unemployment

Our industrial system places a premium on efficiency–efficiency of work and efficiency of operation. It seeks to minimize cost and maximize profit. Thus, there is a search for the most productive workers and the most efficient operation system. In this logic of operation it has been difficult to make exceptions for the job candidate who does not fit or who is less productive than others. Nobody has seriously contended that our industrial system should be a rehabilitation agency. Nevertheless, job prospects for the hard-to-employ could be improved if there was some flexibility in the image of a productive worker. The hard-to-employ worker might better be judged by whether

he could improve his work performance over time rather than succeed/fail measures in his initial job performance. Another possibility is that the logics of production might be altered (e.g. subdividing the job or work team production) to afford the worker an opportunity. This was a practice followed with considerable success in the production factories of World War II when labor was in short supply. In nonwartime economies, it is difficult to influence the management community to use such flexibilities. This means that jobs for the hard-to-employ inevitably pose the problem of how to increase work opportunities without radically altering the cost-profit structure of the business concern.

This emphasis on selecting the best worker–or the one most likely to succeed–has given rise to the credentials system in our society. We expect that people who have these credentials will do a better job than people who do not have them. Such credentials are education, skill, stable work history, lack of an arrest record, and stability in financial matters. People who do not have these credentials are screened out and not given an opportunity to see if they can do the job. We are becoming more and more aware that these are not rationally determined criteria but have become traditions blindly handed down. What is not apparent is how these criteria, even if valid, relate to job performance. Does the fact that a man served a prison term for embezzlement have anything to do with his ability to hold down a job on a machine? In 1963, a large department store in Detroit employed 18 new salespeople without reference to any of the above credentials. As a matter of fact, all of these new employees scored poorly on employment tests. By the end of a 12-month period, 13 of the 14 employees who were still employed equaled or surpassed the sales norm for their respective departments. Under ordinary circumstances, these workers would never have been given an opportunity.

Personal Inadequacies versus Inadequate Market Systems to Explain Economic Failure

In our society economic failure is viewed in terms of personal inadequacies rather than as a consequence of the structure and operation of our market system. To explain

long-term unemployment, considerable emphasis is placed on the lack of skill, education, and motivation of individuals, but little has been said about the lack of appeal and unattractiveness of dead-end jobs; nor has any attempt been made to explain hard-core unemployment by the barriers to employment that exist in our society.

The very classification terms that abound in manpower place the blame for hard-core unemployment on the individual and not on the system: competents vs. incompetents, referrables vs. nonreferrables, skilled vs. unskilled workers, productive vs. nonproductive workers. There is the assumption that these people are without skills and have little to offer to the labor market. These labels have two consequences. First, they become determinants of how an individual is processed by an organization. A nonreferrable is almost by definition a person whose options will be limited by the organization. A company personnel man will limit such a person to unskilled, low-status jobs in his organization. An employment agency shall certainly exclude such a person from consideration for certain training and employment opportunities. Second, the individual himself may come to accept the label as a reality rather than a categorical point of reference. The implications for his self-esteem and self-worth, as well as his motivation, should be obvious. The tragedy of labeling is that such categories reflect how a particular agency has classified a client on the basis of its own organizational assumptions; it does not represent a particular reality.

Many of the clients labeled as "skill-less" may indeed have skills, but they are either not apparent to outside observers or they are not measurable by current personnel assessment procedures. The unlicensed plumber or electrician in the ghetto, for example, may have quite versatile skills although they are acquired in a way that is unrecognized and illegitimate when judged by the norms of the larger society. Extensive revisions in the way that we currently assess human skills is required. We should recognize that ghetto life may not only develop skills that are strange to middle-class ways, but also that ghetto residents may strongly identify with these ways of doing things.

Competitive versus Sponsored Mobility

Our industrial society rests on the assumption of competitive mobility. Frequently, we assume that labor-market participants are engaged in a contest with each other. Some finish first and others are last. In competitive mobility we assume that we can build up the resources of the less able through training to make them competitive. In sponsored mobility we admit than the gap cannot be narrowed now. We exempt these contestants from the race and move them to the head of the line. The notion of sponsored mobility is a relatively foreign idea in our society, and we have had problems in fitting this into our national thinking. Sponsored mobility is a form of preferential treatment, and in an achievement-oriented society such as ours, the idea is bound to meet some resistance. In sponsored mobility we apply criteria other than efficiency (e.g. the need for equalizing employment opportunities), and we have done this to some extent following the riots of 1967 and 1968.

Legitimate versus Illegitimate Knowledge

In our society we place a good deal of stock on obtaining our technical knowledge through certain channels and not through others. The doctor in the medical school or the plumber in the apprenticeship system obtains knowledge that is deemed legitimate; the person who acquires this knowledge in other ways is not recognized as having legitimate knowledge. There exists in our society an extensive licensing system for most status jobs where there are rigid, fixed pathways through a training maze. It is not that these jobs could not be learned in a shorter period of time, but the curricula that guide such training are encrusted by traditions that are not easily violated. Innovations in training are not easily diffused because there are extensive networks of vested interests in the educational system that resist such changes.

Our national response to hard-core unemployment has been circumscribed by these values, and they place considerable limitations on what the society will do.

STEREOTYPES OF HARD-CORE UNEMPLOYMENT

Many of us are also victims of steroetypes about hard-core unemployment. Some of these rest on misinformation, others on guesswork. We must conclude that we do not have a reliable research literature on hard-core unemployment, and what we do have is fragmentary. Let me review some of these stereotypes.

1. The hard-core unemployed have never been able to obtain a toehold in the job market and have never been exposed to the discipline of work. The available evidence suggests that this is not true. In a Detroit study in 1962, four out of every five respondents among a sample of hard-core unemployed–people without work for 26 weeks or longer–had been able to hold down at least one job for a period of five consecutive years or longer. Some of these jobs were in a war economy where work conditions are frequently altered to suit the capacities of the worker (e.g. segmentalization of work and job simplification). This suggests that these people are not inherently unemployable, but rather that their job opportunities fluctuate with certain characteristics of the market.

2. Among the hard-core unemployed, job finding is related to the level of formal schooling. The level of education may be a poor predictor of job finding if the quality of that education has been poor. We often apply the education-job success standard to middle-class life, but it would be erroneous to use it without reservation when discussing the hard-core unemployed. Among the hard-core unemployed in Detroit in 1962, the white high-school graduates had fared better than white high-school dropouts, but among blacks graduates and dropouts fared about the same. What is suggested here is that the education in predominantly black schools had little immediate effect on labor-market performance. The best predictor for long-term unemployment was the geographical location in which elementary education had been obtained. Attendees in southern elementary schools were more likely to be characterized by long periods of unemployment than those who had been educated outside of the South. Skin color and the quality of education are more important for blacks than level of education.

3. The hard-core unemployed is a fixed category of individuals that is unchanging over time. The structure of hard-core unemployment changes over time, largely as a function of market conditions. It is not possible to reduce this group to zero since "leavers" are being replaced by new recruits. This dynamic is an important part of the hard-core unemployment problem. In the late 1950s the hard-core unemployed were overrepresented by the older workers who had been technologically displaced as large gains occurred in productivity through technological change. In 1963 the youths unemployed made up the bulk of the hard-core unemployed. In the mid-1960s the ghetto resident and the minority group member predominated in this category. One must conclude that a single, fixed manpower program for the hard-core will do little to solve the problem. To work, the policy must be flexible and adaptive to new groups.

4. An increase in aggregate demand would considerably reduce hard-core unemployment. An increase in aggregate demand does reduce hard-core unemployment, but not as much as one would expect. The continued persistence of hard-core unemployment, even in good times, suggests that new job openings in periods of affluence are filled only partly by the hard-core and mainly by new entrants to the labor market or returnees coaxed back by new opportunities. A reduction of 1 percent in national unemployment would mean jobs for 750,000 people but probably less than one half of these would be in the hard-core unemployed group.

5. At any point in time, the hard-core unemployed can be viewed as a single, unitary, homogeneous group. The hard-core unemployed is not a unitary group; it represents a wide range of people in different circumstances and in need of a different kind of aid: youths entering the labor market, ADC(Aid to Dependent Children) mothers, minority group members, ethnic minorities, undereducated, unskilled workers, heads of low-income households, older, marginal, and low-paid workers, and the chronic unemployed. There is also considerable overlap in these groups, and a person can be characterized by a number of negative statuses. The hard-core unemployed, then, is not only characterized by diversity of types but also by

multiproblem individuals. This suggests again that a single approach to the elimination of hard-core unemployment is unrealistic. It becomes imperative to recognize the subtle differences in needs for Puerto Ricans, blacks, and poor whites.

6. The hard-core unemployed are uniquely different from all working groups. This is again a false notion. Significant numbers of the hard-core have exactly the same characteristics as stable workers in semiskilled employment in heavy commodity manufacturing industries. In 1962 the educational portrait of hard-core unemployed males in Detroit was not significantly different from that of males in semiskilled employment in the Big Three automobile companies. One must recognize the role of luck in finding and keeping a job. One worker may be lucky enough to fulfill his 90-day probationary period on a job and thus gain a seniority rating with some security. A second worker with a similar background may drop out through illness or be terminated because of changed manpower needs. The second worker is no less qualified or motivated, but chance circumstances have placed him in a precarious position. More education and skill may do him little good since his problem is more related to an inability to penetrate job opportunities. One can certainly overstate the importance of education in semiskilled jobs.

7. The turnover rates of ex-hard-core unemployed is higher than for workers in general. In the Chrysler Corporation where an extensive program with hard-core unemployed is in progress, the turnover rate for ex-hard-core is actually less than for other workers in similar jobs. What seems apparent is that the turnover rate for ex-hard-core can be less in jobs in high-wage industries, but remains high where employment is in low-wage industries. It is likely, however, that all workers in low-wage industries have high turnover rates when faced with low wages in dead-end jobs.

8. All hard-core unemployed need extensive services to reintegrate them into the labor force. The considerable publicity given to the hard-core unemployed and program activities in their behalf gives the impression that all hard-core require services. In 1962 and again in 1964, the Michigan Employment Security Commission tracked the

employment status of 500 hard-core unemployed. Of this group, 46 percent returned to work without any service program. We must recognize that there are layers of disadvantagement in hard-core unemployment, and considerable numbers in this category are reemployed without training when economic conditions improve.

These stereotypes are deeply ingrained and require the most careful and intensive research. It is a mark of intellectual maturity that we are finally beginning to identify them and analyze their influence in manpower policy-making and operations.

CONCLUSION

Let me suggest two other reference points for the understanding of hard-core unemployment. First, in periods of relatively full employment, the percentage of hard-core among the unemployed rises as the cream of the unemployed are singled out for training or jobs and the more disadvantaged are by-passed. Garth Mangum has described the situation as one of a shape-up or queue where the most favored workers are chosen first and the least favored last. The anomaly is that in periods of economic prosperity, the problems of training and the investment in manpower development multiply since we must deal with more than just technical training to increase employment prospects for those hard-core unemployed who have been by-passed.

Extensive job development for the workers may become necessary both before and after employment. Some attention may have to be given to the improvement of transportation between home and work, particularly for those workers who live in ghettoes far removed from the centers of new industrial activity. Medical problems, long neglected, have to be given some attention if the worker is to meet company health standards. Some improvement in home budgeting skills may be necessary to stabilize the worker's new job situation. Of equal importance is the need to give supportive services to the company management. Management education is frequently necessary to dissolve some of the stereotypes of hard-core unemployment. It is also necessary to examine present and past company assumptions about employment and to relate them

to the current realities of hard-core unemployment. Some attention must also be given to the education of first line supervisors about the competencies and problems of workers who have been jobless for long periods of time. This latter activity is particularly crucial since success or failure in the work situation is bound to be closely related to the values, attitudes, and judgments of foremen and other workers that they supervise.

A second point is that hard-core unemployment is relative to time and place. A comparison across cities and regions is difficult since different definitions are being used. The most frequent measure of hard-core unemployment uses a time measure–26 weeks or more of unemployment–as a benchmark, although some labor-market studies have used five weeks and others twelve weeks. It is difficult to obtain any statistically reliable picture of hard-core unemployment because an important component is the invisible unemployed—workers who have left the labor market in their prime wage-earning years and have ceased to seek employment. A considerable problem still is in the enumeration of individuals who receive income through illegal or quasilegal work, and neither the income nor the work is recorded as part of the gross national income.

The problem of hard-core unemployment as described above requires some further comment. The tradition has been that hard-core unemployment is reduced either by raising aggregate demand or by training and retraining programs designed to give workers new skills for the labor market. In this paper I have pointed to the role of national values and group stereotypes in the perpetuation of this problem. I am suggesting that the criteria by which policy is selected should be given equal consideration with the program alternatives for action.

Three reference points for criteria emerge from the discussion. First, criteria should be structure-centered rather than person-centered. The importance or prevalence of individual inadequacies as a reference point for policies or programs in hard-core unemployment has undoubtedly been overplayed. In many instances, luck or the capriciousness of the labor market is a significant factor in long-term employment. Changing individual skills will not solve this problem. Attention must be directed to

the mechanics of the employment process (e.g. recruitment, testing, and retention components). Second, there must be some flexibility in the use of efficiency criteria. It makes little sense to allocate funds for public works programs to help the long-term unemployed and then allocate these contracts to companies that use technology and skilled labor that exclude the employment of hard-core unemployed. Finally, we need to reexamine our images of the productive worker and the credentials system. We must recognize that credentialism frequently functions as a device to restrict labor choice in a surplus labor market to perpetuate patterns of labor choice that are discriminatory to minority group members. Inadequate credentials are a judgment relative to time and place, and there should be some flexibility in applying this judgment in program planning. In some labor markets credentials should be an important reference point, while in others their importance is exaggerated.

An analysis of values and stereotypes inevitably points out the possibilities of expanding criteria for choice in reducing hard-core unemployment. A neglect of such factors necessarily restricts the flexibility of the policy maker and program planner.

Jobs for the Disadvantaged

Charles C. Killingsworth
Professor of Industrial and Labor Relations
Michigan State University

DIMENSIONS OF THE PROBLEM

After more than seven years of record-breaking economic expansion and the reduction of the national employment rate to the lowest levels in 15 years, some observers have asserted that we have achieved at the 1968 level "full employment" in the United States. Such assertions ignore the fact that the benefits of expansion have been distributed quite unevenly, and that for certain groups in the labor force, unemployment and underemployment continue to be problems of pressing importance. For example, the overall black unemployment rate remains higher than the white rate in any postwar recession year, and the teenage black unemployment rate is as high as the national rate during the worst years of the Great Depression in the 1930s. About 95 percent of the increase in jobs generated by economic expansion since 1962 has gone to the upper half of the labor force in terms of educational attainment. Although the reported unemployment rates of the less educated workers have dropped, much of the apparent improvement in their situation has resulted from heavy withdrawals from the labor force, even in the prime working ages, 25-54. Thus among the disadvantaged workers there has been continued growth in the number of "hidden employed"–persons who are willing and able to work but who are not counted among the officially unemployed because they have not looked for work in the recent past.

Our officially reported national unemployment rate touched its lowest point of the current expansion–3.5 percent of the labor force–in the spring of 1968 and again the following August. The rate, although considered to be consistent with "full employment" by some analysts, is

much higher than the rates maintained over many years by most other industrialized nations. Great Britain's highest rate of the past 10 years is lower than our lowest rate of the same period. France has had a rate within the range of 2 percent to 2.5 percent since 1961: Japan's rate has been around 1 percent; Sweden's rate has consistently been about half our lowest rate of the 1960s; and West Germany has consistently maintained a national unemployment rate below 1 percent since 1960. (All rates are adjusted to U.S. definitions.) By world standards, then, our lowest unemployment rate in 15 years was still much higher than a true "full employment" rate. A primary reason for our failure to achieve really full employment is our inability up to now to reduce the unemployment rates of those groups that are far above the average rate. Last year white college graduates had a rate that was a fraction of 1 percent; at the same time, teenage black school dropouts in some big-city slums had a rate close to 50 percent. Much of our thinking about unemployment has been in terms of mass joblessness, but that was the problem of the 1930s; today's problem is one of class unemployment.

Excessive prosperity unemployment among the disadvantaged is in itself a serious social problem; it is also a significant part of several other overlapping problems. The Kerner Commission on Civil Disorders reported that, in 20 riot-torn cities that it studied, unemployment and underemployment was one of the deepest and most intense grievances among black communities–second only to police practices as a source of bitterness. Full employment in the ghetto would not completely solve this nation's urban problem, but no adequate solution can neglect the employment aspect. Yet it would be a serious mistake to consider hard-core unemployment as an exclusively black problem. Even in the poverty areas of the larger cities, there are almost as many unemployed whites as blacks; and nationally, among the long-term unemployed (15 weeks or longer) there are about four times as many whites as blacks. Unemployment contributes significantly to our national poverty problem also, although most poor families are headed by persons who are unable to work because of age, disability, or home responsibilities. In a real sense, prolonged general prosperity has worsened the position of

those who remain trapped in unemployment. In the 1930s, when one of four workers lacked jobs, it was obvious that the fault lay with economic conditions rather than the individual. Now, when there is widespread talk of labor shortages and unfilled jobs, the public tends to believe that anybody who is unemployed does not want to work. Yet the extremely heavy incidence of unemployment among certain distinct groups–the less-educated, the nonwhite, the teenager, the resident of the central core of the big city–suggests strongly that, like masses of workers in the 1930s, these present-day unemployed are largely the victims of labor market forces over which they have no control.

As we look ahead to the next four years, it is highly important for us to take account of the effects of the Vietnam War on employment and unemployment since 1965. As we hopefully contemplate the conclusion of hostilities there, we must assess the impact on labor markets. Since mid-1965, the size of our armed forces has increased by 700,000 men, and most of them were taken from the civilian labor force or would have joined it had it not been for the armed forces increase. Careful estimates indicate that the growth of defense expenditures since mid-1965 has directly increased civilian employment by about 1 million. Nearly 60 percent of this employment increase has taken place in blue-collar occupations, although in 1965 only a little more than 40 percent of total employment was in such occupations. Thus the Vietnam War has probably held down the growth of the labor force and has contributed to an abnormal growth of blue-collar jobs. We must anticipate that the phasing out of the Vietnam War will work in in the opposite directions; a reduction in the size of the armed forces will substantially increase the growth rate of the civilian labor force, and a reduction in military production will have an especially heavy impact on blue-collar workers. Neither reduction is likely to occur suddenly, but rather will probably be spread over a substantial period of time. Nevertheless, significant problems of adjustment must be anticipated. Returning war veterans and released war production workers may not experience excessive difficulty in finding jobs, but they may displace large numbers of disadvantaged groups who have found employment in the last three years. Hence the labor market

outlook over the next four years is for increasing competition for the available lower-level jobs and increasing difficulties for those who, in a peacetime economy, are among the last hired and the first fired. We may find that a substantial part of the improvement in the labor market that we have hopefully attributed to "pure" economic growth has actually been produced by the peculiar characteristics of partial military mobilization, and that some of the problems of the disadvantaged that we thought we were on the way toward solving will gradually become more severe even if we maintain a high rate of peacetime economic growth.

SOME ALTERNATIVE APPROACHES

We must seriously consider the possibility that the nation, through its elected representatives, will choose to do no more than at present–or even less–to help the disadvantaged to overcome their labor-market difficulties. What are the likely consequences of such a policy choice? Almost certainly, a rising national unemployment rate, but with disproportionate increases in unemployment among the less-skilled and less-educated members of the labor force and among those who are heavily concentrated in the central cores of the big cities. Continued or accelerated growth in the numbers of welfare clients and an increased potential for civil disorders in the cities would be predictable further consequences. And the nation as a whole would stand to lose the goods and services that might otherwise be produced by those who are rejected by the "normal" labor market.

Another basic alternative which is receiving increasing attention currently is to provide some form of "guaranteed annual income" to the rejects of the labor market. This approach raises some fundamental policy questions that cannot be adequately discussed in a relatively brief statement. But I do wish to express the most serious doubts concerning the desirability and the political acceptability of a guaranteed income program which makes low income the sole requirement for eligibility. I strongly favor national minimum standards of income maintenance at an adequate level for all of those who cannot or should not work–the aged, the disabled, mothers with very young children, the

children themselves. But I believe that it is far more desirable and politically acceptable to provide useful work for the able-bodied. To choose the route of income maintenance for this group would involve such large expenditures that remedial services for them, such as education and job training, would almost certainly be precluded, and a large percentage of them would be relegated to a permanent state of idle-dependency. Public opinion polls report that the members of our work-oriented society reject by very large majorities a universal guaranteed income program, but support by equally large majorities a guaranteed employment program. I believe that this preference has a reasonable basis and that national policy should be shaped accordingly. Not even a country as wealthy as ours can afford the waste of human resources involved in a program of permanent subsidized idleness.

A third alternative, which I strongly favor, is training plus job creation by the federal government. There are several ways to carry out such a policy, and these different means should be regarded as complements, not alternatives. They include: (1) subsidies, both direct and indirect, to private industry to cover the extra costs involved in recruiting, training and fitting the disadvantaged for industrial employment; (2) payment of all or most of the wages on worthwhile projects developed and administered by state and local governments and nonprofit undertakings such as hospitals and educational institutions; (3) development of federal projects designed to make maximum use of low-skilled workers and carried out either on a contract basis or by federal departments. Beginnings, usually experimental and small scale, have been made in each of these directions. The time has come to assess realistically the potentials and limitations of each approach and to move rapidly beyond the experimental stage.

One of the most hopeful developments in recent years on the unemployment front has been the deepening concern and involvement of leading businessmen in finding jobs for the disadvantaged. The National Alliance of Businessmen issued in 1968 a progress report stating that it had obtained pledges of 310,000 jobs for the hard-core unemployed–and

stating further that it was "turning its attention to the more difficult task of recruiting, placing and retaining the man on the job." In the past five years, tens of thousands of workers have been enrolled in various on-the-job training programs, conducted on the premises of business firms; and new efforts have recently been undertaken which involve substantial federal subsidization of employer training efforts which go beyond what is usual for the ordinary recruit. The important advantages of on-the-job training are a workplace environment which cannot be duplicated in a classroom and a high retention rate. Among the important disadvantages are a tendency to recruit the best-qualified of the unemployed and a tendency to limit training to that which is relevant to the needs of the particular employer. Continuing efforts must be made to maximize the advantages and reduce the disadvantages of this type of training and job creation.

Many people have advocated a large expansion of on-the-job training by means of a system of tax credits. Such advocates point out that this device has been quite successful in stimulating investment in new equipment, and they argue that the device might be equally effective in promoting private investment in human beings. Some advocates even suggest that this approach would be "costless," which is an illusion; the use of tax credits would obviously reduce tax revenues below what they would otherwise be, and others would have to pay higher taxes or forego the tax reductions that might otherwise be possible. Although administrative simplicity is another virtue claimed for this device, it would be essential to draw up and enforce detailed rules to prevent the subsidization of training that would have been undertaken even in the absence of the tax credit, to ensure that opportunities are opened for the disadvantaged, and to prevent abuses by a minority of employers. Ways must be found to determine the true costs of such a program and to evaluate its results in comparison with other possible uses of the funds involved. I think that intensive study of these matters is urgently needed, and that endorsement of this approach prior to the completion of such a study would be premature.

Although private employers have always been the most important source of industrial training and doubtless will continue to be, government agencies also must have an important role beyond merely subsidizing private efforts. The oldest of the new generation of manpower programs is that provided under the Manpower Development and Training Act of 1962. There is now substantial evidence that the kinds of training provided under this legislation have filled a very important need in a rounded manpower policy and have yielded substantial benefits, not only to individuals but to the larger society. No doubt there is room for improvement in the training and placement activities under this legislation. Nevertheless, I view with concern the recent tendency to divert funds from the largest aspect of this program–institutional training–in order to finance other kinds of training efforts. The pay-off from institutional training has been sufficiently well documented to justify expansion of this aspect of the MDTA effort, but the actuality has been a reduction in enrollments and the idling of available facilities. This is a particularly shortsighted and self-defeating kind of "economy" measure. I urge the expansion of institutional training under the MTDA as an essential component of an adequate manpower policy.

Not all of the unemployed and underemployed can be trained or otherwise fitted for private employment in a reasonably short period of time. Private industry may not be able to provide a sufficiently large number of relatively low-skilled, entry-level jobs to absorb all of those who might be trained in a greatly expanded effort. And some of the available jobs may be beyond the physical or mental capabilities of many of the unemployed. On the other hand, it is now almost a cliche that there are vast unmet needs for workers to perform a multitude of simple jobs in the public sector of the economy. The best-known estimate, by the National Commission on Technology, Automation, and Economic Progress, is that these needs amount to a total of 5.3 million workers in such fields as education, health, recreation, public safety, sanitation, and many other kinds of public services. The obvious reason why these needs for workers are unmet is the inadequacy of state and local revenue systems and the limited budgets of most nonprofit institutions. If money in adequate amounts were made

available, large numbers of jobs could be created in a very short time. I add my voice to many others that have called for a substantial new federal program in this area. Bills previously introduced in the past several sessions of Congress would provide suitable vehicles. Billions of federal dollars will be needed for an adequate program. But the real cost will be much lower than the immediate federal outlay. It is far less costly in economic and human terms to pay for the performance of needed services than to support able-bodied and willing workers on welfare or some other form of dole.

Again we must recognize the danger of neglecting already established, reasonably successful programs in this area. The Neighborhood Youth Corps is a prime example. The NYC provides largely federal funding for the employment of needy young people, both in school and out of school, and locally sponsored projects. Although the NYC has generally held remedial services to a low minimum in order to devote as much money as possible to the payment of enrollees' wages–in other words, to maximize enrollment opportunities–there appears to be general agreement that the program has been highly worthwhile. Ironically, perhaps the strongest evidence on this point was the volume of complaints from local officials in 1968 when cutbacks were announced in federal funds for this program. I recommend a large increase in funding for the Neighborhood Youth Corps as a part of an overall federal program of job creation. Only a fraction of the young people who are potentially eligible for this program are enrolled, and its benefits could be multiplied by providing more adequate remedial services in addition to wages for enrollees. There are other programs of a similar nature that also deserve greater support. Several thousand people have been employed on various types of community service programs under the Office of Economic Opportunity, and the College Work-Study program subsidizes part-time jobs for needy college students. I favor increased funding for these programs.

Increased attention should also be given to the development of federal projects which would employ large numbers of low-skilled workers and which would be carried out either by contractors or by federal departments. There

are abundant opportunities for such projects. For example, improvement of national parks; beautification of the interstate highway system through extensive planting of shrubbery in medial strips (which also might contribute to highway safety); reforestation of cutover areas; and a continuing program of cleaning up streets, alleys, and vacant lots in urban slums. Such a "shopping list" could, of course, be greatly extended.

PROBLEMS OF SOME SPECIAL GROUPS

An adequate full employment policy must develop ways of meeting the special problems of certain groups in the labor force. One of these groups which poses particularly difficult questions is one which may be regarded as falling just below the middle level of the labor market–the high school dropouts. Among blacks this is the group with the highest unemployment rate of any educational category; among whites the relative unemployment rate of this group has risen substantially in recent years. In the past five years the total male population in this category has increased substantially, but total employment has increased scarcely at all. There are indications that, at this level of the labor market, we are developing an increasingly dangerous disparity between aspiration and achievement. Many of those in this group reject a low-paid manual job on the ground that it is beneath their capabilities; in many large cities, there are numbers of people who believe that a job which pays less than $2.50 or $3.00 per hour is scarcely worth considering or is not worth much effort to retain. Many members of this group appear to feel that they are entitled to a clean-hands, white-collar type of job. But employers generally find most members of this group wholly unacceptable for that kind of job. It is significant that the Kerner Commission on Civil Disorders described this group almost to the last detail in its profile of the typical rioter in 1967. He is city-bred, young, with a little less than a high-school education, not necessarily currently unemployed but with a strong and bitter feeling that he deserves a much better job than he has ever been able to get.

Any job creation program which ignores the presence and the needs of this group and which concentrates exclu-

sively on the development of low-level, menial jobs will be seriously inadequate. It will be important to give attention to the development of job ladders–well-defined lines of progression from entry-level jobs to better jobs–and to give attention to continuing on-the-job training to prepare those starting at the bottom for advancement. In this connection, there is considerable potential in the "New Careers" movement, which embodies some of these techniques plus emphasis on splitting off less-skilled portions of professional jobs to create sub- or paraprofessional jobs in such fields as health care, education, and social work, in which there are great shortages of fully qualified professionals. I do not minimize the practical difficulties in this approach, but I am not convinced that they are insuperable. I recommend the development of capabilities within the federal government for technical assistance in the design and administration of such programs.

Another special group which is probably relatively small, although its precise size cannot be estimated, is composed of those who would gladly accept employment but who would engage in intolerable behavior on the job. Arbitrators in private industry hear thousands of cases involving individuals who have been discharged for such offenses as fighting, drinking on the job, stealing from the employer, disobeying supervisory directions, and so on. A public employer should not be compelled to tolerate such behavior; experience in private industry has shown that such toleration can quickly demoralize the entire work force. This consideration argues strongly against the often-heard proposal that the government should "guarantee" everyone a job. What government should guarantee is that there is useful work available for all those who are willing and able to meet reasonable standards of behavior and performance. No doubt it would be essential to establish systems of impartial review of discharges for alleged bad conduct; and there might be merit also in the development of a "rehabilitation corps" which would be open (on a voluntary basis) to those who have been discharged for intolerable behavior. In emphasizing the social responsibility to create the conditions necessary for full employment, we must not go so far as to eliminate individual responsibility for anitsocial conduct.

CONCLUSION

I return to and enlarge upon a point made earlier in this discussion. Solution of this nation's problem of unemployment and underemployment would not automatically solve the urban problem, the poverty problem, the crime problem, and the other social ills of our day; but the provision of enough jobs for all who are willing and able to work would unquestionably contribute substantially to the solution of these other problems. A more basic consideration is that this kind of program would contribute enormously to the conservation of human values. No doubt it is difficult for the employed majority to comprehend the erosion of the human spirit that results from chronic unemployment or sporadic employment in this work-oriented society. A man's work largely defines his status in this society, and the man who cannot find a steady job comes close to being a nobody. Some recently developed figures reveal a remarkably close relationship between changes in the national unemployment rate and the rate at which people are incarcerated in state prisons; changes in the unemployment rate and the suicide rate for middle-aged males; changes in the unemployment rate in a major state and the rate of admissions to mental hospitals in that state; and changes in the national unemployment rate and the family separation rate. It seems safe to presume that more jobs would alleviate many kinds of human misery.

The emphasis here on training and job creation by government is not intended to minimize the importance of other aspects of employment policy. The foundation of employment policy must be governmental fiscal and monetary policies which maintain overall demand in a robust condition and which stimulate general economic growth; the point here is that the foundation is not the complete structure. I also recognize the necessity for basic improvements in our educational system, both general and vocational; for solution of the transportation inadequacies of the big cities which have left residents of the inner core area virtually stranded; and for elimination of racial discrimination. These are all long-range projects while the training and job-creation programs which I advocate could be mounted almost immediately.

What would it cost? On-the-job training slots for the disadvantaged are now priced at about $3,500 per year each. Full-time jobs in state and local government projects would average around $5,000 each. Under MDTA, the cost per training slot has averaged $1,200 over the life of the program. Special undertakings, such as reforestation and "New Careers" development, would involve special costs that are difficult to estimate in advance on a general basis. I think that reasonably adequate programs could be undertaken in all of these fields for a total outlay of approximately $4 billion per year to start with. We should not attempt to prescribe exactly how much should be spent on each program; on this matter, Congress should leave considerable discretion to the overall administrator of the manpower effort. We have not yet accumulated sufficient experience to be able to state with certainty what the optimum size of each program would be. What we can say with certainty is that present efforts in all of these areas are pitifully small in relation to the need. The time for "fine tuning"—deciding exactly what the maximum size of each program should be under a given set of economic conditions–will arrive later, when, fortunately, we will have more data on which to base our analysis.

Hard-Core Problems and Flexibility in Programming Concepts

Robert C. Couthorn
Professor of Economics
University of Arizona

My interest in hard-core unemployment has not been focused upon manpower problems as generally conceived, or upon problems of the hard-core portion of the unemployed work force. Instead, my primary attention has been placed upon the role of entrepreneurial action in the performances of various system settings—from less-developed areas and peoples to departmental units within a business firm. In other words, I am working with the proposition that the entrepreneurial concept really goes far beyond the conventional setting of the business firm and operates as a vitally important component in all action systems.

It is my guess that a research interest in entrepreneurship was admitted to a discussion of hard-core problems for two reasons. First, it raised the prospect of looking at the subject in a different way; second, it is broad enough to offer a needed "interdisciplinary overview." Since we are all permitted certain liberties in these matters, what I shall have to say constitutes an "overview" mainly in that it ranges widely over several aspects of the hard-core unemployment problem. The interdisciplinary aspects of the paper are inherent in the system-oriented approach employed throughout, either explicitly or in the background.

A SYSTEM-ORIENTED VIEW

I have already referred to "action systems" and "system settings." Before going further, it will be helpful to state briefly what is meant by the term "system" and to distinguish between system approaches and more traditional approaches.

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The system concept is widely used in virtually all the sciences. In the life sciences we are accustomed to hearing reference to ecological or "habitat" systems, where interest is focused on the totality of interactions between animals, plants, and physical conditions in a defined setting. In medicine, the familiar specialities of endocrinology, gynecology, cardiology, and so forth are all organized along the lines of some physiological subsystem of the human organism. In a manner more loosely defined, we also speak of the economic system, the penal system, and the educational system. The beginning point, then, in any application of a system frame of reference is to recognize that we are taking an old and familiar concept and applying it rigorously as a way of looking at problems.

System definitions may undergo minor variations from one subject area to the next, but the basic idea remains remarkably stable.[1] No matter what the specific field, a system is defined as a group of elements or activities related to each other in an orderly manner to produce some kind of "through-put." The system, in other words, is nothing more than a unit of analysis, designed to provide greater convenience in the analysis of situations where we must consider more than one thing at a time. It is always defined to include multiple functions, and it emphasizes three notions of key importance: bounded activity, throughput, and integration. The first of these clearly implies that system boundaries must be maintained; the second implies that the boundaries are not absolute barriers, but are permeable to certain kinds of transactions; and the third implies a need for internal regulation of processes. The explicit inclusion of multiple processes, of course, makes the system idea interdisciplinary from the very beginning.

In extending the concept of social systems, all the foregoing remarks apply, but the unit of analysis is explicitly discussed as a system of interaction involving one or more human beings.[2] A social system is assumed to be purposeful and to contain internal processes differentiated from each other according to primary function.

Finally, it is necessary to distinguish between system approaches and traditional social science analysis. In contrast to the designation of a system as the unit of analysis, the conventional discipline normally seeks to analyze a

problem by focusing upon a single aspect or function, while holding other aspects constant. Throughout the social sciences we study one "field" by screening out, or abstracting from, all the others—economics, for example, traditionally assumes certain constant psychological functions, political relationships, and so on. Thus the purchase of a can of peas may well have political or psychological significance, but the economist concerns himself chiefly with the price and quantity aspects of the act.

Given that the conventional approaches are necessary, they still are not sufficient. When one becomes interested in learning something about why people buy peas, or why they buy brand X instead of brand Y, the problem is no longer responsive to a single-discipline approach and it is necessary to look at events in a different way. A system-oriented view is one such way; it permits analytical examination of complex relationships which often remain impervious to conventional approaches.

HARD-CORE UNEMPLOYMENT IN A SYSTEM SETTING

Most of us have heard numerous references to the "subculture of poverty," the "vicious circle of poverty," and similar phrases. Despite the indignant responses occasionally elicited by such phrases, they give expression to an understanding of poverty as an enduring phenomenon, or system. Poverty is more than just being poor, it is the involuntary state of staying poor. So also with hard-core unemployment; it is a system phenomenon having more overlapping features with poverty, though not identical with it. Where the two systems do overlap, however, it is difficult to imagine that a program could intervene successfully in the one without intervening also in the other. The hard-core phenomenon is marked by typical system properties: it has duration in time, it has characteristic internal traits or processes, and it maintains the ability to modify its own internal processes (within limits) in meeting system needs.

Individuals entrapped in a hard-core system relate to their environments in ways which differ systematically from the ways of the larger social system. This is not to say that everyone describable as "hard-core" relates to environment in the same way, but that the ways in which a

person does relate will differ in a systematic (i.e., nonrandom) way from the ways of the dominant system. The hard-core system is contained by the larger system but not genuinely a part of it—the two exist in a dual relationship. As in the case of many underdeveloped countries, the dualism is capable of continuing for long periods with a minimum of transfer between systems.

While hardcoreness is indeed a system phenomenon, it is more precisely still a relation between systems. As treated here, the defining criterion of "hardcoreness" is the inability of systems A and B to develop mutually satisfactory relations at their boundaries. The two systems, in other words, cannot integrate their respective activities. System A, with all its values, techniques, and goals, finds itself producing a total bundle of "outputs" which system B cannot or will not assimilate into its own processes. The same, of course, is true of system B: its outputs are not acceptable to system A. This state of affairs leads at best to insularity and diminishing exchange between the two systems, as exemplified in the split between the Soviet bloc and the free world. At worst, it leads to conflict and eventual dissolution of the weaker system. It makes no difference whether a person enters hard-core status through physcial injury, lack of education, or conviction for a felony; the criterial attribute of the condition remains the same—a loss of functional integration between systems.

Understood in this way, we cannot overlook the fact that it takes not one but two sets of system properties to define what we mean by hard-core—even the term "hard-core" is generated within one system and applied to the other. If either system A or system B remains unchanged while the other is changing, a state of "hardcoreness" can develop. In the same way, "hardcoreness" arises if both systems are changing so that the problems of the one are less responsive to repair by the surpluses of the other. In fact, that conference may be viewed as a way of asking: "How can system A alter its internal processes and outputs to system B so as to promote greater integration?"

For present purposes we can define system A as the social system of the United States, and system B as the personality system of an individual identified by system A as "hard-core." To the extent that there are many hard-

core persons all sharing certain attributes, we may speak of a hard-core system, as I have done.[3]

Finally, system B, the individual system, is recognized explicitly to include the spatial aspect of person-environment relations. Human activity occurs in a finite space—in what might be called a life space—and the several dimensions of that space affect the way things are perceived, the concepts that are formed and the quality of actions that will occur. As a simple example, we earthlings exhibit a pronounced tendency to insist upon the proper arrangement of objects on an up-down scale, but we are far less sensitive to the alignments of left and right. Similarly, we operate with a very complex structure of internalized ideas about what we can and cannot do in space—how far we can reach, travel in a day, carry a load, hear a call, etc. This structure appears to be intricately involved in our feelings of "selfness," and is incorporated into virtually every feature of our manmade environment.[4]

Given the primitive nature of our knowledge concerning the space factor in behavior, we cannot hope to do much with it in this paper. We can, however, recognize that spatial variables may affect our programs either positively or negatively, and that the issue is not foreclosed to analysis. This is especially ture in programs planned for Appalachian people. Some of our most difficult human resource problems are concentrated in areas where terrain and other space-related factors are generally agreed to be profoundly influential both currently and historically. More will be said on this point later.

A CRITIQUE OF SOME LATENT PROGRAM ASSUMPTIONS

A major virtue of the system point of view is that it promotes an attribute of critical vigilance toward the latent premises always at work in action programs. Accordingly, I would like to review some of the premises which seem to me to impede greater progress in the hard-core unemployment field. The focus for my remarks is provided by the distinguished psychologist Jerome S. Bruner. In his presidential address three years ago to the American Psychological Association, he said: "We clearly do not

have a theory of the school that is sufficient to the task of running schools—just as we have no adequate theory of toys or of readiness building or whatever the jargon is for preparing the children to do a better job the next round."[5]

I am inclined to the view that Bruner's point is equally well taken when applied to the constellation of problems referred to as hard-core unemployment. We do not have a theory of the employment process sufficient to the task of eliminating hard-core unemployment; we do not have in operation a satisfactory understanding of the psychosocial meaning of work; and, in a field so heavily dependent upon training for its results, we have no adequate theory of vocational schools of other learning environments devoted to what Bruner calls "readiness building." Last but not least, we do not understand as well as we should the interplay of all these factors upon our problem material.

The Bruner statement points up three broad areas of inquiry: (1) the institutional structure by which the economic system "makes a market" for human productive effort; (2) the emotional and motivational structures by which work is integrated with other human activity; and (3) the institutions and practices by which the social system disseminates cultural material to its members. These three areas not only correspond rather closely with the disciplinary approaches selected for presentation at this meeting, but each of them describes also a segment of the hard-core problem field within which system viewpoints give rise to some interesting questions.

Let us take first the institutional structure. There are questions to be raised concerning at least three latent assumptions. It is a major function of the ill-defined set of relations and activities we call a "labor market" to provide continuing contracts between the buyers and sellers of labor services. There are other functions too, among them the provision of information as to changes in employer needs and in performance capabilities of the people selling services. Like all markets, the labor market involves transfers occurring at the boundary between systems, in this case between the individual or household system (whichever is relevant) and the services-using system, usually thought of as a business firm. To accomplish their purposes these two systems make contacts involving the

application of certain criteria, which, if satisfied, allow the individual system, the seller of services, to be admitted to membership in the firm's work force. In short, business firms, acting partly independently and partly as agents of society, develop and apply membership criteria which admit or exclude people from employment in particular systems (in this case, firms).

But the matter does not end there. In the institutionalized transactions between buyers and sellers of labor services there is a pronounced lack of symmetry in the rewards and penalties held out to the two parties. This imbalance of the labor market has been recognized for a long time and is still of fundamental importance. Historically, it was a major factor in the growth of the trade union movement, and there can be little doubt that it played some part also in the creation of the United States Employment Service.[6] With respect to contemporary problems, especially those of hard-core placement, an asymmetrical labor market means that employers become virtually the sole source of membership criteria for admission to the employed work force. In other words, employers define the conditions of employability for the whole system, and in doing so they effectively define our major attitudes toward the hard-core system.

Criteria of employability drawn almost entirely to employer standards may be fully appropriate in dealing with unemployed people whose abilities and understanding place them clearly in a "mainstream" status. Such criteria become less and less appropriate, however, as we pass along the line of unemployed toward those whose participation in the dominant system is severaly limited or nonexistent.[7] I can bear personal witness to the inadequacy of employer definitions of employability in seeking reemployment for the industrially injured. I would be surprised to find the situation greatly different in the case of other groups.

Let me make clear that the issue is not whether our institutions should observe *any* employer standards of employability, but whether private employers should continue to be treated as the *only* acceptable source of employability criteria. In the absence of externally provided special incentives, system goals for a profit-oriented

business simply do not provide sufficiently for flexibility and creativity in the design of man-work configurations. It is therefore grossly inappropriate to approach hard-core problems with the assumption that employers generate reliable definitions of employability.

Closely related to employability criteria is a second assumption, which shapes the attitudes of the dominant system toward hard-core people themselves. With rare exceptions we tend to evaluate individual performance capabilities, both actual and prospective, in terms derived exclusively from the conventional ideas of the mainstream system. We commonly assume that hard-core people have neither skills nor the means for acquiring them, ignoring all the while the primitive and system-biased nature of our evaluative devices. Conventional tests and screening devices cannot safely be assumed sufficient for evaluation of people from the hard-core system.

In devising training programs for hard-core people, our unexamined premises frequently lead us to regard trainee progress as contingent upon the person first coming to terms with the attitudes, time-discipline, task-sequences, and implicit values embodied in customary work practices. We forget that customary practices are not necessarily the best or the only ways of performing work, and should be continually questioned. Occasionally, as in cases of severe physical disability, circumstances force the abandonment of our more parochial views and we cheerfully reorganize a standing job to be performed by a seated workman. Even in these cases, however, it is often possible to detect attitudes of thinly disguised disparagement toward the activity in question—note that we talk of sheltered workshops as if all workshops were not "sheltered" to some degree.

In still a third set of latent premises, we tend to think of conventional market benefits (prices) as the only benefits relevant to evaluation of work effort and its "output." Thus we compare costs and revenues to discover whether a given activity is "marketable" or worthy of inclusion in our repertoire of hard-core programs. If we encounter products or services valued by the market at less than their estimated costs, we tend to regard the market values as a final judgment, disparaging such products and services as "unable to pay their own way." This practice not only

comes close to the doctrine of full-cost pricing which economists have long assailed, but it also ignores the simple and obvious need to list benefits and costs as exhaustively as possible and with reference to system goals other than those encompassed by the market.

In all these latent premises, the main point is that we quite generally fail to relaize the extent to which our programs are based on assumptions spawned and nurtured by the dominant system with no demonstrated relation to the goals we seek. With or without a satisfactory theory of the employment process, we should remain alert to the limitations which might be imposed on our programs by strict adherence to employer definitions of employability. Similarly, we should recognize that such data as job-history or educational attainment may be without significant information value in selecting a course of action to meet a hard-core person's needs. All of the conventional evaluations spring from the dominant system, and represent properties of that system having distinct consequences for its relations with hard-core people. Program concepts appropriate to the mainstream economy, particularly those involving personal values and expectational linkages between performances and outcomes, simply cannot be assumed valid for application at the end of the unemployment line.

Moving from the institutional framework to the structure of emotional and motivational forces by which work is integrated with other activity, I wish only to stress that the larger system has its own "hang-ups" in this area and cannot fairly insist that all the changes come from the hard-core system. There is increasing evidence that dominant-system ideas about work are in rapid flux, and this tempo is more likely to accelerate than to slow down. The phrase "doing your own thing" is even now being widely adopted in the national vocabulary, and it clearly announces a changing attitude toward work. At this early date we can be sure only that our programs will fail if we continue to view work as a sort of puritanical penance for having sinned and lost the original paradise. As suggested before, market payoffs constitute only a part of the benefit from work and should not be allowed to constrict our view of program alternatives.

If we really believe, as we say we do, that "lack of a future orientation" and "passive attitudes toward the physical environment" are factors which inhibit more constructive boundary exchanges between the dominant system and its alienated subsystems, then as suggested earlier we are obligated to recognize the role of dominant-system values in reinforcing the obstructions. In the words of Professor Thomas Ford of the University of Kentucky, middle-class Americans tend to "deny or disregard any merits they did not bestow."[8] If we grant to the alienated system the same functional needs we readily accept elsewhere, such features as the lack of a future orientation must be recognized as highly rational responses, dysfunctional perhaps from the point of view of the larger society but highly functional for the hard-core system. Limitations of space make it impossible to discuss this feature of the dual system relationship in detail, but a single illustration will make clear the authority and scope of our institutionalized system biases. There is no social disapprobation whatever attached to the actions of a corporation which withholds planned investment expenditure in the face of uncertainties in product markets—such action is in fact expected. Yet the analogous action of a hard-core trainee who withdraws from a class in remedial reading is met promptly with unmistakeable disapproval. The folklore of hard-core programs has numerous tales about how "these people are different," and most such tales are rooted in an undetected system bias. In some instances it is not clear whether people are dropping out or being shoved out.

Finally, our means of disseminating cultural material need also to be viewed with a clear eye. Bruner stresses the point that advanced societies do not acculturate their members by showing them in context, but by *telling* them out of context. This difference assumes a strategic importance in the transactions between mainstream and hard-core systems. Not only does the fact of alienation ensure that a signigicant segment of the material transmitted by the dominant system will have different meaning to the alienated recipient, but there is often a basic contradiction between what the system "tells" and what it "shows."

I would suggest, for example, that the dominant system in the United States has attempted to deal with the problem

of maintaining interest in the abstracted school learning process by making school achievement a major source of parental approval and emotional support, sometimes even with material rewards. It is, of course, a normal thing to provide suitable social rewards for performances in areas important to the culture, but it is another thing entirely to allow such performances to become major determinants of self-worth. For a great many hard-core people the dominant system approach to school achievement is quite likely to miss the point. The hard-core person cannot be assumed to respond in the expected way to the approval of parents or parent surrogates. As for achievement motivation in general, he is very likely to have learned from experience that for him extra striving begins and ends in the same place—that it leads nowhere. Assigned by the dominant system to a severely limited range of participation in virtually all areas of social activity, he can hardly be expected to "shape-up" or "snap out of it" in response to the same exhortations that are effective with other groups.

THE SETTING FOR APPALCHIAN PROGRAMS

What is there to be said along these lines that is specific to hard-core problems in Appalachia? Certainly all of the critical statements about latent assumptions would apply to the Appalachian area. As I have already hinted, however, the mountain setting of Appalachia demands attention to the all-important spatial aspects of the system. Among the many regions in America where spatial considerations might demand explicit treatment, there is no place I know of in which spatial relationships play a more central role than in the Appalachian highlands.

Remembering that industrial activity is inherently "central place", or urban activity, we must recognize that *conventional* employment opportunities for hard-core people will be heavily concentrated in urban settings. There is some "secondary" activity in remote areas (smelting, lumber and pulp milling, ginning, and the like), but these activities are merely extensions of the primary extraction. They are, moreover, of steadily shrinking significance in the work force. The problem quickly becomes one of devising effective program approaches for areas which are

not merely rural, but likely to be extremely resistant to urbanization, even of modest proportions. The existing urban bias in most nonfarm employment does not mean, of course, that *everything* is going to happen in megalopolis east. It does mean that we must yield to reality and either plan *with* the bias or around it. To plan *around* the urban bias we must first understand both systems, industrial and rural, and then seek the program innovations necessary to reconcile their seeming differences.

In some parts of the United States the spatial problem is posed chiefly by great distances, as in the West and Alaska, and possibly in some parts of the upper Midwest. For example, it is more than one hundred miles across the Papago Indian Reservation just west of Tucson, Arizona, and not long ago I traveled fifty miles between two migrant labor camps in Pima County. The people housed in the two camps were working for the same farmer, in adjoining fields.

In Appalachia the spatial problem is not distance but difficult terrain, terrain which has operated throughout history as the strategic obstacle to integration of Appalachian people and institutions into the larger system. In the days when the farm was the basic unit of output, the ridges and hollows of Appalachia discouraged large-scale settlement. Settlers went further west in search of land more hospitable to plow. For the comparatively few who did settle in the hills, the slope of the land dictated that farming should remain forever small in scale and meager in output, thus contributing little to capital accumulation. Then came the coal boom. Beginning for West Virginia in the 1890s, coal for forty years brought people to the hollows in great numbers. The boom, in fact, established a population base much larger than could ever have sprung from rural activities such as farming or lumbering. With such a large population base, a coal-dependent economy, and a physical setting unsuited to conventional urban-industrial patterns of development, the human distress of the 1950s and 1960s was already foreshadowed by 1930.

Population growth, which seems to be so avidly sought today, combined with the demanding terrain to produce serious imbalances in the life of the region. Fierce competition for scarce flatland caused residential uses to run

at best a poor fourth to the mines, railroads, and highways. People were forced into the now-familiar linear settlement patterns along the creek beds and "up to the head of the hollow." These patterns impeded movement, stretched out trip distances and travel times, and greatly multiplied the costs and operating problems of every kind of social and community activity—from running an effective school system to putting on a church supper. It is not surprising that Appalachian people adopted attitudes which were generally compatible with their environmental reality. What is more, for many of the people in the hard-core category, the mutual reinforcement between environmental and attitudinal factors is still basically unchanged.

SUGGESTIONS FOR FLEXIBLE PROGRAMMING

This paper has raised numerous questions about "system biases" and "latent assumptions" in our approaches to hard-core unemployment problems. I would like now to speculate about the kinds of program elements which more flexible concepts might produce.

First, as to employability criteria, we can and should experiment extensively with work settings freed from the constraints of clock time. Punctuality, working hours, days worked per week, and similar matters could be accepted as variables instead of constants. Although we would expect to find different segments of the hard-core population responding in different ways to the various combinations, we would certainly stand to learn something important about people and their work. Similarly, the people involved in such experiments would also learn; in such a framework the discipline of a clock might prove more attractive than the alternatives.

Second, we can and should drop the arrogant assumption that those performance capabilities approved by the dominant system are the only ones of value—let us look to see if spontaneously generated skills may not in fact be marketable. Businesses often convert erstwhile waste products into profitable lines just by study and promotional effort; there is no good reason why such effort should not be extended to the innate abilities of the hard-core.

We might also explore systematically the role of intuitive and other little-known learning processes in overcoming sociocultural disadvantages and in acquiring new

skills. The exciting experiences with children in radically unconventional learning environments should have us prepared to think some unthinkable thoughts in this area.

As to the work-element side of the system, we should begin system-analytic studies of conventional work practices in order to prepare a catalogue of functionally equivalent alternatives for task elements of the "bend," "reach," "retrieve," "tighten" variety. If such efforts are wholly without premise, let us begin soon to find it out, especially since it requires only that we turn our concepts around, treating erstwhile constants as variables. I might add that efforts of this kind could well prove to contain some serendipity for human- and equipment-engineering problems in high pressure undersea environments and other abnormal settings.

In vocational education and training, we need in one sense simply to wise up. We can "educate" and "train" until we are blue in the face without ever coming close to the problem. People do not work *because* they have skills any more than children play because they have toys. And while it might be helpful to have the theory of toys to which Bruner referred, we cannot wait for such a theory before examining the psychosocial theory of work that is quietly incorporated into our programs. In short, we cannot claim to care about the problem without making our programs more responsive to the subtle ways in which tools and work operate as extensions and expression of self.

Finally, on the spatial issue there are only four conscionable choices: to maintain isolated hard-core people in their present settings with some kind of transfer payment (not for services rendered); to undertake large-scale relocations from rural to urban settings; to subsidize actively and directly the redistribution of industrial activity in favor of the impacted areas (an alternative which has already failed, in my judgment); and to provide subsidies and "markets of last resort" for indigenous activities long assumed to have no market value.

We have been trying to subsidize the family farm for over thirty years, and at a cost to taxpayers which makes our human resources effort look microscopic. Maybe it is not too farfetched to think now about subsidizing the family foundry or the family cabinet factory. In Appalachia we deal every day with people whose emotional commitment to

the hills is deep and abiding. Often even the mountaineer himself does not understand the strength of this feeling. So long as we insist upon conventional approaches to job placement, we will be in the position either of asking hill people to relocate or asking urban-oriented manufacturers to go to the hills. Neither of these alternatives is promising: the adult mountaineer is not well equipped to make the transition to urban-industrial life, and the urban industrialist comes to the hills reluctantly if at all. There is, as the industrialist well knows, no shortage of attractive and well-located industrial sites.

I would like to suggest that we think of employing mountaineers right where they are, at jobs they already know or feel some affinity for. If this cannot be accomplished without subsidies at the outset, then so be it. A warehouse full of knocked-down Appalachian rocking chairs is hardly any greater social evil than a warehouse full of short-staple cotton.

So far as the economic feasibility of mountain manufacturing is concerned, it is quite possible that fresh approaches to industrial organization could result in surprising results. A highly decentralized manufacturing network along "cottage-industry" lines might prove economical in the short-run and highly productive in its system effects over longer periods. I am referring here to "fresh approaches" such as those found in Japan, where a family manufacturing enterprise often produces a single part in a small but highly efficient plant.[9] Thanks to the coal mines, it is rare to find a rural settlement anywhere in West Virginia that does not have good access to electric power lines; and where there is electricity, somebody can run a machine.

If it seems suddenly that I am talking about functions which are inappropriate for people on the manpower placement side of the market, let me suggest in closing that that, too, may be a system bias. I can think of no organized effort anywhere in the country which takes as its mission the *discovery of tasks* to fit human capabilities although every business man would consider it normal to look for products which could occupy idle machines. Looked at this way, employment service people may well be better equipped than anyone else for the kind of job that I have described.

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2. See, for example, Talcott Parsons and Neil J. Smelser, *Economy and Society* (Glencoe: Free Press, 1956), pp. 14-20.

3. Joseph Schumpeter's dictum is appropriate here: "If one may not speak of social values, there is yet a social value system, a social system of individual values." *The Theory of Economic Development* (Cambridge: Harvard University Press, 1934), p. 56.

4. See Robert Beck, "Spatial Meaning and the Properties of Environment," in David Loewenthal, ed., *Environmental Perception and Behavior* (Chicago: University of Chicago Department of Geography, Research Paper No. 109, 1967). Beck comments that "as a sacred grove has historical-religious significance for a whole people, so individuals acquire and integrate spatial axes and orientations which become personal styles."

5. Jerome S. Bruner, "The Growth of Mind," *American Psychologist*, 20:12 (Dec. 1965), 1007-17.

6. If this connection is not obvious it might be interesting to explore the fact that the USES emerged in a period of labor surplus rather than a period of labor shortage. It seems to me that the lack of symmetry in labor market relationships is implicitly recognized in virtually all labor legislation.

7. Chester I. Barnard, business leader and organizational theorist, stresses the same point in a different context: "you cannot deal effectively with people unless you can get their 'point-of-view,' which means knowing what influences govern their behavior." *Organization and Management* (Cambridge: Harvard University Press, 1948), p. 115. Employability criteria of the "mainstream" cannot be expected to reflect the "point-of-view" of the hard-core system.

8. Thomas R. Ford, "The Effects of Prevailing Values and Beliefs on the Perpetuation of Poverty in Rural Areas," in *Problems of Chronically Depressed Rural Areas* (Asheville: North Carolina State University, Agricultural Policy Institute, 1965), p. 41.

9. Decentralized manufacturing is discussed at length in Henry G. Aubrey, "Small Industry in Economic Development," *Social Research*, 18:3 (Sept. 1951), 269-312. In the seventeen years since the Aubrey article appeared, technological improvements in machinery and control systems have tended to make the decentralized model even more promising than before. A pilot project of this type in Appalachia is long overdue.

Psychology and Reality in the Study of the Hard-Core Unemployed*

Gerald Gurin
Survey Research Center, Institute for Social Research
The University of Michigan

Most of the analyses of the problems of hard-core unemployment have focused on economic issues. There has, however, also been a great deal of discussion and speculation about the motivational and psychological problems of hard-core groups. This paper is addressed to some of these motivational and psychological issues. Since my concern with these issues derives from research I conducted on a job-training program devoted to an inner-city ghetto youth "hard-core" population, this paper will focus on psychological issues that may be particularly relevant for the job-training program approach to hard-core problems. (For a full report of this study, see Gurin, 1968. Much of the discussion in this paper follows Chapter V of that report.)

Most training programs devoted to the hard-core unemployed have viewed problems as psychological and motivational, not just as deficiencies in skill and education. The programs have viewed their training function in very broad terms—providing training in attitudes and behaviors supposedly needed in the world of work, as well as in specific occupational skills. For example,

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in the particular project I studied, there were fifty counselors (one for every twenty trainees) devoted to this broader "socializing" function. But to say that the trainees' problems are psychological and motivational does not really define the nature of these problems. When one examines the literature which attempts to define the psychological issues in poverty, a bewildering multiplicity of concepts is readily apparent. This is not necessarily bad, since these problems are very complex and there is no "single" truth. In this instance, however, the variety of theoretical approaches has had some negative consequences, since it reflects a certain amount of ignorance and confusion about the nature of these issues, which in turn has led to confusion in the approaches that poverty programs have taken to these problems.

It is not the purpose of this paper to list and categorize all these different concepts. Rather, I would like to present some ideas around the general theme of the relationship between motivational and "reality" approaches to hard-core problems. Perhaps this reflects a certain defensiveness on my part as a social psychologist studying these issues. Given the tremendous reality problems that hard-core unemployed people face, a focus on their psychology may seem inappropriate. However, the underlying assumption of this paper is that a concern with motivation does not need to imply a neglect of the reality issues that people in poverty face. On the contrary, I will argue that the most meaningful motivational approach to these issues is one that integrates motivational and situational approaches, that sees motivational problems as intimately tied to on-going situational realities.

THE SITUATION-MOTIVATION DICHOTOMY

In the general literature on poverty, as well as that part specifically focused on the hard-core unemployed, there is a striking dichotomy in the analyses of the problems and the solutions proposed. One approach stresses the social and institutional aspects of the problem Another recognizes the original social causes but focuses on the resultant individual pathology—for example a lack of education and skills, or motivational deficits. One

approach calls for changes in the social structure and institutional arrangements; the other calls for efforts such as job training programs which attempt to help the individual, through vocational, educational, and motivational training, to find a more rewarding place within the existing structure.

One consequence of this dichotomization is the tendency to see psychological and situational approaches as opposite and even mutually contradictory. Those who have been concerned with motivational problems have tended to see these problems as "in" the hard-core unemployed person, that is, as pathological products of his disadvantaged past that have become self-perpetuating and not necessarily reflecting the realities of his current situation.

This tendency to look for "deep" pathologies in motivation has meant that we often overlook the fact that the problems of attitude and motivation can at times be interpreted more simply and meaningfully as understandable reactions to present situational realities. There were a number of findings in our study of inner-city youth that pointed to this tie between attitudes and motivations and the realities of the trainee's current situation. I would like to mention one of these to underscore this point.

There has been considerable concern expressed over poor attendance records and high dropout rates in manpower training programs. It is often assumed that sporadic attendance and dropping out of the program indicate some deep-rooted motivational problems that keep a person from maximizing the opportunities offered him by a training program. By accident, however, the training program we studied offered us an opportunity to test the extent to which these behaviors might be viewed in more obvious reality terms. The program happened to have two parts. All of the trainees were receiving counseling and basic education in an institutional setting, but some of the trainees were also receiving their skill training in that setting while the others were to receive skill training in on-the-job placements. Because of the difficulty in getting such placements, the latter group ended up by essentially getting no skill training at all. When we compared the two sets of trainees, those who were receiving skill training and those who were receiving only

basic education and counseling, we found great differences in thier attendance records and dropout rates. Those who were receiving only education and counseling had worse attendance and higher rate of dropout than did those trainees who were also getting some kind of training. They also differed greatly in some simple attitudes such as whether or not they thought the program was worthwhile and whether or not they thought they were getting anything out of it. Clearly, a program that does not provide meaningful skill training will produce problems of motivation, attendance, and dropout. But when we look at the ways in which attendance problems and dropouts have been discussed, we rarely find interpretations that suggest that the motivational problem may lie not in the trainee's pathology, but in a realistic rejection of a program that is offering questionable payoff for regularity of attendance and completion of the program.

This, of course, is a very simple and obvious example of how motivations and attitudes can reflect present realities. Our major concern, however, has been with some of the more complex issues that are involved in a view of motivation as representing an interaction of individual and situational forces, as opposed to one which takes a more strictly individual focus. Some of these issues can be highlighted by the juxtaposition of two contrasting approaches to the motivational problems of poverty groups, those which have focused on problems of "ends" and those which have focused on problems of "means."

PROBLEMS OF MEANS AND ENDS

Much discussion and controversy in the social-psychological literature on motivational problems of poverty has focused around an issue that might be briefly described as follows: do the problems derive from a rejection of the usual middle-class values and aspirations, or are the problems ones of people who share the dominant societal goals and values but feel they do not have the resources to achieve the goals and implement the values? These represent two very different ways of interpreting the motivational problems of poverty groups. In the first,

one views people in poverty as basically different from most people in the society. These differences are sometimes viewed negatively and words like "lazy" and "shiftless" used; they can also be viewed in neutral terms that describe different "subcultures" and in positive terms, "natural" and "spontaneous" lower class life being contrasted with the anxiety and hang-ups of the middle class. But regardless of the affective tone, the interpretations all are ones which view the low employment and other behavior patterns of poverty groups as representing a different set of norms and values and rejection of those that underlie the typical working patterns of our society.

The second approach, which focuses on means rather than different ends, sees the motivational issues in very different terms. The poor are viewed as sharing the dominant societal goals and aspirations. Their problems are ones of powerlessness and the apathy and discouragement that spring from the inability to achieve these aspirations.

If one examines the literature on poverty of the past generation, an interesting shift between these two points of view can be found. Much of the older literature was cast in terms of "middle class and lower class" differences rather than the "culture of poverty" terminology of today, but the issues were the same. And in this theoretical literature the emphasis was very much on differences in values and "basic personality" dispositions. A good deal of this literature focused on parent-child relationships and early childhood training. These early relationships and training were described as different in the lower class and middle class, and these early developmental differences were in turn seen as leading in adult life to class differences in basic motivational and personality dispositions. In the current literature the focus has shifted to a greater tendency to see different social class groupings as sharing basic norms and dispositions, but differing in power and effectiveness. In today's terminology the problem is not that people in poverty differ in expectations, but rather that their rising expectations are not being met.

It is interesting and perhaps not coincidental that the concern over issues of powerlessness has come at a

time when as a nation we have become concerned with problems of poverty and made a commitment to try to deal with them. It is discouraging to view the problems of poverty as reflecting basic personality dispositions set down in early childhood. It is more encouraging to view them as problems of limited resources and powerlessness, since these should be somewhat more affected by the environmental changes and training and educational influences that poverty programs are utilizing in trying to deal with these problems.

Although interpretations of these motivational issues have shifted from a focus on problems of "ends" to one of "means," the controversy is still a very lively one. The currency of the "culture of poverty" notion attests to the fact that approaches stressing the cultural distinctiveness of the poor are by no means of only historical interest. This distinction between these two motivational perspectives parallels my earlier distinction between approaches viewing motivation as an individual phenomenon and those seeing it as a product of the relationship of the individual to his environment. The focus on different values and goals sees the problems as "in" the hard-core unemployed; concepts such as powerlessness stress the tie between motivation and the current situational realities that hard-core people face.

SOME RESEARCH FINDINGS

Some findings from research on the hard-core training program illustrate the distinction between these two perspectives. It is recognized that these two approaches are not mutually exclusive and that neither represents the "true" interpretation. But the findings from our study of unemployed youth did indicate that these motivational problems are more understandable in terms of concepts like powerlessness than those interpretations that stress the cultural and normative distinctiveness of poverty groups.

The relevance of the study findings to this distinction can be dramatized by the results from two attitude scales developed from trainee interviews. One of these was made up of several questions representing a short and modified

version of Rotter's "internal-external" scale (Rotter, 1966). This scale measured a trainee's adherence to a "middle class" view of success, the belief that success comes from "internal" factors such as ability and hard work rather than from "external" circumstances such as "luck" or "getting the breaks." The questions followed a forced-choice format; in each question the trainees were presented with two sentences, one representing the "internal" choice, the other, the "external" choice, and were asked to choose between them. For example, they were asked to indicate whether or not they agreed more with the statement "A person becomes a success in life because he works hard; luck or getting the breaks has little or nothing to do with it," rather than "Getting a good job depends mainly on being in the right place at the right time." All these questions, it should be noted, were pharsed in a very general sense, tapping the trainee's general beliefs in this area rather than his evaluation of his own personal experience.

The second attitude scale, referred to as the "personal efficacy" scale, consisted of questions very similar to those in the internal-external scale, except that they directed the trainee to his own personal life experience, rather than his very general and abstract beliefs. Using the same forced-choice format, they asked the trainee to indicate his preferences between pairs of statements like the following: "When I make plans ahead, I usually get to carry things out the way I expected," in contrast to "Things usually come up to make me change my plans."

Despite the parallelism in these two sets of questions, they produced very different results in our study, with the personal efficacy items seemingly tapping a much more meaningful dimension. This greater meaningfulness was suggested in two ways. First of all, the responses to the personal efficacy items seemed much more realistic and less stereotyped. In the responses to the internal-external scale, about 70 percent to 80 percent of the trainees tended to choose the internal sentence, supporting some of the general societal values and beliefs about work, success, and the American dream that a man is the master of his fate. In the personal efficacy items, however, only about 50 percent of the trainees or

sometimes even less chose the alternative which expressed the feeling that in their own lives they were masters of their environment and their future. Thus the questions with a more personal rather than generalized focus seemed to elicit more responses reflecting the problems and obstacles actually encountered in their life situation and experience.

There is a second and more important way in which the personal efficacy items seemed to tap a more meaningful dimension. In our research we were interested in relating all our attitudinal and motivational measures to several criteria of success, the most important being the earnings of the trainee in the job world he encountered after leaving the training program. The internal-external scale showed no relationship with this success criterion. Nor was this job-earnings criterion related to any other of the numerous scales we developed in the study to measure some of these generalized middle-class "Protestant ethic" values and ideologies. The personal efficacy scale, however, was related to the trainee's post-program earnings, particularly from the male trainees. This relationship was quite striking. We divided our trainees into four quartiles according to their earnings in the six-month period following the completion of the training program. When we contrasted the men trainees in these quartiles on their scores on the efficacy scale, we found the scores varied from 19 percent of those in the lowest earnings quartile who had an above-average efficacy score to 63 percent of those in the highest quartile. This finding, then, highlights the importance of issues of control and powerlessness in the motivational dynamics of these trainees rather than issues of more generalized values.

One other aspect of the finding on the relationship between personal efficacy and job success is of particular interest. Our study was a longitudinal one; that is, we interviewed trainees while they were still in the training program and again later on after they had left the program and had some experience in the job world. This meant that we could determine the extent to which the trainee's feelings of efficacy expressed while he was still in the program predicted his later job-earnings success, and the extent to which this success in turn affected his

feelings of efficacy. An examination of our study data indicated that both effects were operating and the relationship between feelings of efficacy and job success was a circular one. The feelings of efficacy expressed before the trainee ever entered the post-program job world to some extent predicted his success in that world. There was even clearer evidence, however, that the experience of success reinforced and increased those very same feelings of efficacy that helped to bring it about. The latter aspect of the circular relationship—that which indicates that a trainee's feelings of competence and effectiveness are clearly affected by his success experiences in the job world—is particularly significant, because it points up the extent to which concepts such as efficacy and powerlessness reflect the interrelationship of individual and situational factors.

IMPLICATIONS

What are the implications of the psychological and motivational issues that we have been discussing? Particularly, what are the implications of the point of view stressing that these motivational problems are tied to the reality issues that the trainees face?

We have stressed this distinction between a focus on values rooted in the past and a focus on issues of effectiveness and powerlessness tied to the on-going reality situation, not because of their esoteric theoretical interest but because they represent very different assumptions underlying the variations in approaches that different training programs have taken in attacking problems of poverty. The programs that have been developed have been varied, and their differences obviously cannot be reduced to any simple dichotomy. But underlying many of the program variations have been two very contrasting program models. One might be termed the "preparatory" program, which works with the trainees in an institutional setting, getting them "ready" to go out and cope with the job world. The other stresses the need for getting trainees immediately into the job world in on-the-job settings.

The poverty programs and the issues they deal with

are too complex for one to be able to say that any given approach is completely congruent with certain assumptions about the nature of the psychological and motivational problems of the people it is attempting to help. However, to a very large extent the two program models—institutional and OJT—conform to the contrasting assumptions about motivational issues that we have outlined and discussed. The institutional "preparatory" program is consistent with the view that the problems are "in" the trainees. In a certain sense the institutional program follows a therapy model; one works with the trainees in the therapeutic setting, dealing with their problems as individuals—their attitudes, education, and skill competence—hoping to change them so they can make a better adjustment in the job world outside the the institutional setting. The OJT program, on the other hand, is more congruent with the view that motivational problems can better be understood in the interaction of the trainees with the pressures and opportunities of their present life realities.

These two program models manifest themselves in many specific differences. In relation to our particular concern with psychological and motivational issues, one major difference lies in the role and functions assigned to the counselor. In the institutional "preparatory" program the counselor fulfills a semitherapeutic role. To a large extent he becomes concerned with the trainees' values and behavior patterns, particularly as related to the world of work, and sees himself as a change agent with respect to these patterns, someone attempting to "socialize" the trainee so he will better be able to fulfill the demands in the world he will face outside the program. In the OJT setting the counselor's role is structured in much more immediate supportive terms as helping the trainee with his anxieties and problems of competence and failure as they arise in an actual job situation. The difference is between the counselor as a "therapist" or "socializer" and the counselor as a "supporting service."

If we look at the history of manpower training programs over the past few years, to a considerable extent they represent a shift away from the institutional to the OJT model. But both are still actively represented in manpower

programs. The Job Corps, for example, is an obvious example of the institutional preparatory model.

Thus some of the theoretical issues of motivation that we have discussed and the distinctions we have made have had very significant practical implications in the very general programmatic approaches that have been taken in dealing with the problems of the hard-core unemployed. In addition to the very general shift from an institutional to an OJT focus of these programs, there have been a number of changes within the institutional programs themselves that also reflect the increasing concern with the reality bases of motivational and attitudinal problems. In the early institutional programs devoted to the hard-core unemployed, the notion of the individual pathological nature of motivational problems tended to predominate to such an extent that programs were often extreme in the tendency to separate their concerns from the reality aspects of the problems the trainees faced. This manifested itself particularly in the tendency to view motivational problems as though they were completely unrelated to the question of the payoffs that came at the end of the program. Many programs focused so much on the trainees' educational and motivational problems that they neglected skill training, and even when skill training was provided, little was done to ensure that the skills were utilized in the jobs the trainees received after leaving the program. Many early institutional programs provided very little follow-up after the trainees left the project; there was little concern with job opportunities and job development.

This separation of the training program from the job world is not true of the typical institutional program today. The past two or three years have seen an increasing recognition of the relationship of the problems of trainee motivation to the actual payoffs available to the trainees in the real world. In contrast with those of several years ago, programs today, even those that remain in an institutional setting, tend to be much more actively concerned with attempts to articulate the program with the job market. Programs are showing increasing concern with the job placement issue, not only with obtaining jobs for the trainees but with obtaining the kind of jobs that have some skill requirements and mobility possibilities,

and do not represent the dead-end of unskilled labor. The counseling function within institutional programs has also changed in focus. There is more emphasis on following up the trainees after the end of the program and counseling them out in the job world where the motivational issues can be dealt with around the actual reality problems they are facing, as opposed to focusing counseling efforts within the project.

This greater sensitivity to the tie between motivation and reality payoffs is also evident in the fact that programs are getting increasingly active in job development, in trying to create and develop the kinds of opportunities that will provide a meaningful place for their trainees in the occupational world. Training programs generally, even those within an institutional setting, are beginning to face the fact that even after a training program only the lowest jobs are typically available for the trainees from the hard-core unemployed groups. One particularly striking example of this concern with job development has appeared in the concept of "new careers for the poor."

We have stressed the perspective that highlights the intimate tie between motivation and reality and focuses on such concepts as effectiveness and powerlessness rather than ideologies and values. Perhaps the major implication of this psychological perspective is to support a number of the directions in which manpower training programs have tended to go in moving away from the motivational approach represented in the earlier projects which followed the preparatory model: better articulation with the job world including active attempts at developing meaningful job opportunities; the training in skills with expanding mobility possibilities: the utilization of counselors in the actual job setting dealing with motivational problems as they arise around the job rather than as "socializers" within the isolated therapeutic setting of the project. Again, it should be noted that in urging this approach we are not merely echoing developments that are by now universally accepted in these projects. Although the trend has certainly been in these directions, the issues we have been discussing are still subjects of active controversy.

As a final comment on this issue, we might note another

reason for questioning those perspectives that have tended to isolate motivational and attitudinal problems from reality issues. There is a danger in basing our approach to poverty on assumptions that the problems are "in" the trainees. This view of these problems, this tendency to "blame" the trainees, can sometimes be too easy a rationalization for our inability to come to grips with the tremendous reality issues that these problems pose. As a matter of public policy, therefore, it is important to constantly keep a reality perspective in mind, even when we are concerned with the motivational problems.

In a sense, this stress on the reality basis of the trainees' problems may seem a strange conclusion for a social psychologist who has been involved in research on attitudinal and motivational issues. It is important to stress, therefore, that this concern with reality does not mean that there are no motivational problems. Although motivations and attitudes are affected by the immediate reality situation, there is more to the motivational problem than that. We have commented that those who have stressed the motivational and psychological problems presented by the trainees have tended to neglect the reality problems. In a similar vein, people who have approached problems of poverty by focusing on the opportunity structure and other institutional barriers have tended to ignore the fact that motivational problems will not automatically disappear when changes are made in realities that the trainees face. Just as a concern with motivational issues does not necessarily imply a neglect of reality, a concern with reality does not mean that motivational and personality issure are irrelevant.

Thus that perspective which sees motivational problems as tied to the realities the trainee faces does not deny the importance of psychological issues. Rather, it suggests a focus on different types of psychological issues than those that have been emphasized when motivational problems are viewed as isolated from the situational pressures and opportunities. The issues that become relevant within a perspective tying them to current realities are those already stressed in our discussion: issues of competence and efficacy, of powerlessness and the feeling that one can control his life. And the crucial point is that

psychological problems of this nature are not easily eliminated, even when opportunity and situational factors change. This resistance to change applies particularly to people such as the hard-core unemployed, who have a history of failure and defeat. With such a history, self-confidence and feelings of control over a situation do not automatically follow upon corresponding changes in the actual objective realities of the situation. In the following section we will discuss some of the motivational issues involved in this resistance to change and their implications for job training programs.

PSYCHOLOGICAL ISSUES UNDER CHANGING OBJECTIVE OPPORTUNITIES

In a sense, the question we are posing is what types of psychological issues are significant for disadvantaged groups when the opportunity structures they face are expanding and the situation they face generally is improving. Phrased in another way, for training programs that deal with these psychological issues, the problem might be stated as one of helping the trainees get to the point where their *subjective* realities mirror the changing *objective* realities, so that the trainee's feelings about his competence and control of his life chances reflect what his present opportunity situation is affording rather than what was appropriate to his earlier life situation.

It has been helpful in attempting to think through these issues to turn to the general psychological literature of motivation. We have drawn particularly on the concept of *expectancy* that has been central to motivational theorists such as Atkinson (1964) and Rotter (1954). They have stressed that the motivation of any given behavior depends not only on motives and incentives defining what a person wants and desires but also on his expectancy estimate of the probability that the behavior will help him obtain that for which he is striving. Stressing the concepts of efficacy and powerlessness is related to the issue of expectancy because feelings of competence and efficacy are a major determinant of a positive expectancy, of a person's feelings that the probabilities are high that his behavior can attain his goals. Translated into these motivational terms, what

has been stressed is that a major issue among hard-core groups is their problems of expectancy, problems stemming not from a lack of desire for societal goals but from the feeling that one has little chance of attaining these goals.

If we look at the motivational problems of the hard-core unemployed as problems of low expectancy and the discouragement and apathy that come with the feeling that one has little chance of attaining his goals, then a major task of a training program becomes one of changing these expectancies. There is a considerable experimental literature on expectancy which suggests that this is by no means a simple task. The studies indicate that it is relatively easy to change a person's expectancy by varying the successes and failures he achieves on a task presented to him in an experimental situation. However, they also suggest that these changes produced in the experimental situation may be quite transitory. Studies have indicated that in as short a time period as one day after the experimental learning situation, there is a considerable reversal among subjects back to the expectancies they held before the experiment (Phares, 1966; Rychlak and Eacker, 1962; Schwarz, 1966). There is also evidence in these same studies that reversals are more likely to occur when the success and failure experiences given in the experimental situation and the consequent expectancies that are experimentally created are very discrepant from a person's initial level of expectancy (Schwarz, 1966). For example, for people who begin with very low expectancies, presenting them with a highly consistent set of success experiences in the experimental situation can lead to a very great heightening of expectancy at the end of the experiment but would have little long-range permanent effect; there would be a greater tendency to fall back to the low expectancy when the people were tested again sometime after the experiment.

These findings are particularly relevant to our concerns with trainees in hard-core manpower programs because we would expect such trainees to be people with very low expectancies. If we apply the results of these experimental studies to manpower training programs, the findings imply that the success experiences given to trainees in the program should be positive enough to provide some basis for a

change in their orientations but not so great that the whole training experience becomes divorced from reality. Over-supportiveness in the training program might provide a situation where great psychological changes seem to occur within the training program, but where the impact beyond the program would be minimal.

In addition to suggesting the complexities in providing the type of training environment that would maximize the possibility of creating *long-range, stable* psychological expectancy changes, the motivational literature in this area also points up some of the problems that are involved in *generalizing* from a specific training or experimental situation. In attempting to affect a trainee's motivational problems in this area, we are not interested in heightening his feelings of expectancy on specific tasks and in specific situations but rather are concerned with affecting his more generalized disposition regarding his chances for success. Just as we are hopeful of promoting more long-range and permanent change, we are also crucially interested in training that will carry beyond the specific training situation. We are interested in providing a set of experiences that will help trainees develop a general sense of effectiveness with which to meet the challenges they face outside the training program.

In the expectancy literature there are several studies dealing with generalization that are particularly relevant because they apply to people of low expectancies. The findings suggest that people with low expectancies are particularly "situation-bound." They are very influenced by the success and failure experiences in the experimental situation and very easily generalize to new tasks and situations (Crandall, 1963; Crandall, *et al.*, 1964; Mischel and Staub, 1965). However, this very same situational sensitivity in turn makes them then unusually sensitive to the success and failure experiences they meet in the next situation. For people with low general expectancies, the unusually heightened expectancies that follow successes are easily deflated by later failures.

Translated to manpower training programs, these findings are particularly relevant to the issue of how maximizing the generalizability from the training project to the post-project world. Again, the findings point up the

necessity for a realistic training program and a training environment that does not present the trainee with success experiences too out of line with those he will experience after leaving the program.

We have stressed the need for training that is reality-oriented. What are some of the ways in which training can be made more realistic in terms of what the individual will meet in his later experience? To maximize this realism it is important to increase the connectedness between the project and the job world, to make the environment of the training project resemble, as much as possible, that of the world that will be faced at the end of the project. One means to accomplishing this is to see that the success and failure experiences the trainee receives in the training period are realistically tied to his actual skill and performance. To the extent that the reinforcement experiences in the training program follow a reality-based pattern of successes and failures, there is a greater possibility for learning that can handle the realities that will be faced after the end of the program.

In addition to seeing that realistic success and failure are experienced in the training program, there are other ways in which comparability of the project and postproject environments could be encouraged. For example, for blacks among the trainees, it would suggest the importance of conducting the training in racially integrated settings. In addition to the social values involved in the integration issue, one might question how effective a segregated training setting would be for preparing black trainees to work in integrated job settings. Since many of the issues of confidence and efficacy among blacks occur in relation to whites, it would be important to help the trainees learn to handle some of these issues in integrated training settings.

One set of ways, then, to handle the issue of realism in the training is to make the training and job environments as parallel as possible. Another approach, however, is to break down the separation between the job and project worlds. The problems of creating stable, long-range, and generalized changes in expectancy are probably best handled by the directions that we have noted programs have taken recently where counseling, education, and vocational training occur not in an isolated program but are carried

out in an actual job setting. The psychological problems of competence, expectancy, and anxiety will be critically faced in the job world, and it is there that efforts might more effectively be directed.

We might note that these psychological problems are likely to endure beyond the first months of the trainee's first job. As we have tried to suggest in this discussion, the problems surrounding the learning of new expectancies are very difficult ones, and the trainees' feelings of confidence are likely to remain fragile and easily deflated for a long period of time. To be maximally effective, it is likely that the counseling relationships established during the course of these programs will have to be maintained over a longer period of time in the post-program world than has typically been provided for in these programs.

We have suggested the problems that might follow from the fact that the trainees tend to be people whose life experiences have left them with very low expectancies and some of the directions programs might take in dealing with these problems. There is a considerable expectancy literature which relates not to the question of how high or low the expectancies are but rather to the issue of the basis of the expectancies, which also is relevant to the issues which concern us here. Specifically, this is the literature on internal-external control, a concept developed by Rotter and his students (Rotter, 1966), which refers to the extent to which people feel that what happens to them in life—their chances and "expectancies"—depends on "external" factors like fate or luck over which they have no control, or on their own "internal" resources of ability, skill, and effort. Rotter and his students have shown that people who are externally oriented are not much guided by their experiences and in generalizing this learning to new situations. What this means in simple, common-sense terms is that if a person feels that success or failure in a given situation is determined by chance rather than his own skill and internal resources, there is much less reason for him to utilize this experience as a basis for evaluating his chances in future similar situations.

Thus Rotter and his associates have suggested that there are particular problems in learning expectancies among people with an external orientation. This has

special relevance to our discussion because a number of studies suggest that such external orientations are particularly apparent in just those groups that tend to be served by the hard-core training programs. The studies indicate that lower socioeconomic groups are more likely to feel that external rather than internal factors operate to control what happens to them in life. Furthermore, there is additional evidence that lower class blacks, given their life experiences, are particularly externally oriented (Battle and Rotter, 1963; Coleman, *et al.*, 1966; Lefcourt, 1966). Thus in pointing out that people with external orientations are likely to have special problems in learning new experiences, Rotter has described a problem that is particularly important in the groups that come to these training programs.

These findings on internal and external control point to the need to help the trainee develop new expectancies that he sees as based on his own internal resources and control. This would imply that the success experiences that the trainees experience in the training program should be tied to their actual performance, and that trainees come to see that their successes and failures are dependent on their own competencies and skills. Following the experimental findings that we have described, such internally based expectancies should be less easily deflated by subsequent failure experiences that are certain to be part of the broad spectrum of experiences that they will encounter after leaving the program.

The need to provide the trainees with meaningful skill competence is, of course, not a new suggestion, since it is the very rationale for the manpower training programs. However, skill training is usually advocated as a way of helping the trainees with their "objective" problems. What we are suggesting is that such competence training is a cornerstone of the approach to their psychological and motivational problems as well. Acquiring competence in a meaningful skill is an essential underpinning for any long-range stable change in the trainees' feelings about their chances and opportunities in the occupational world.

We have already indicated how this rather obvious need for skill training has sometimes been neglected in training programs, particularly those overly concerned with "so-

cialization" issues. The Rotter findings on external control point up that an undue focus on socializing the trainees may not only prove to be ineffective, but may actually have some very negative implications. Many of the training programs devoted to the hard-core unemployed place a great deal of stress on such factors as dress and grooming, how to get along with a supervisor, and the learning of other "proper" behaviors appropriate in the job world. While such learning can be helpful, it can also have some boomerang effects, particularly it it occurs in a program where there is no real attempt to train the trainees in a meaningful skill. To focus on such strategies of manipulation and accommodation to outside forces may encourage the very external orientation that constitutes one of the important psychological problems of the trainees.

In summary, the expectancy literature on motivation has suggested that some of the psychological motivational problems of the trainees may have a self-reinforcing quality that makes them very resistant to change in spite of the changes in the trainees' objective opportunities. The low and externally based expectancies characteristic of the trainees are not easily changeable in any long-range stable sense. We have suggested that a major task of training programs is to attempt to break into this self-reinforcing circle, to take a population that is very sensitive to the immediate situation and help them develop the inner resources and feelings of competence so that they are less situation-bound and better able to handle the negative experiences that are likely to be a part of what they will meet in the post-program world. We have offered two types of suggestions as ways of handling these issues: that the training and counseling be more integrated with the reality issues that the trainee will actually face in the job world; and that training should help the trainee tie his success and failure experiences to his actual skills, competence, and performance.

It is important at this point to raise a cautionary note. We have stressed that one way to make the training more "realistic" is to point up the extent to which successes and failures are based on the trainee's skill and competence. However, rewards do not always follow performance in this world. This is particularly true for the world in

which trainees live. In some sense, then, expectancy training should perhaps include teaching about the way the social system operates, helping the trainee distinguish whether a particular situation is skill-based or externally based. This raises some questions about the concept of internal-external control that have not usually been considered in that literature and that have particular relevance for the disadvantaged groups represented by the trainees in these programs.

We will discuss some of these complications in the following section. Again, these are complications which reflect the theme we have attempted to develop in this paper—the need to evaluate motivational constructs in the context of the realities that people face.

INTERNAL-EXTERNAL CONTROL AND THE REALITIES OF LOWER-CLASS EXPERIENCE

We have already indicated that the concept of internal-external control has become prominent in the study of poverty groups. It has become common to view the motivational problems of such groups as deriving from feelings of powerlessness in confronting a bewildering uncontrollable environment. In contrast to the negative implications of this external orientation, it has generally been assumed that an internal orientation is "good," that it represents a positive motivating factor, that it tends to be associated with effective performance.

What the literature on this concept has tended to neglect is the fact that an internal orientation may also have negative implications. When associated with success, an internal orientation can lead to feelings of competence and effectiveness. When associated with failure, however, it can lead to self-derogation and self-blame. This is a particularly important consideration to keep in mind in dealing with people who come from the backgrounds of the trainees in the hard-core manpower training programs. For such people with a history of much failure and little success, whose failures are very much tied to very real external obstacles they have faced, an internal orientation may be more reflective of intrapunitiveness than of effectiveness. We have tended to view the internal-external

dimension from the perspective of our own middle-class experience. An internal response that might be considered "normal" in terms of the typical middle-class experience may be extreme and intrapunitive in the light of the experiences of the trainees that come to these programs.

Thus to evaluate the meaning and implications of an internal or external orientation, we have to consider the nature of the obstacles that the individual has faced in his life experience. In almost all of the research on this concept, an external orientation has been synonymous with the *belief in fate, chance,* the unpredictability of the environment. This may be appropriate in the study of middle-class people whose advantage position has not made them face other external determinants of life chances, particularly external obstacles to such chances. But poverty populations experience many external obstacles that have nothing to do with "chance," for example the operation of the labor market that can lead to layoffs over which individuals have no control. There are class-tied obstacles to all kinds of opportunities that may be correctly perceived by low-income people as external but not a matter of randomness or luck. For blacks in poverty groups there is also the external factor of racial discrimination that may be perceived as operating quite the opposite of chance—systematically and predictably.

This distinction between a "reality" and "chance" basis of an external orientation may be a very critical one for understanding the motivational dynamics of trainees in these programs. Among these trainees, if we contrast an internal orientation with a *reality* external orientation rather than the usual external orientation based on chance, we should perhaps not expect to obtain the usual findings which indicate that the internal orientation is associated with more effective motivation and performance in achievement situations. Indeed, a focus on external factors may be motivationally healthy rather than damaging when it concerns assessing one's probabilities for success against systematic and real external obstacles rather than exigencies of fate. If we attempt to picture, for example, the lower income black who believes that skill factors are more important than economic barriers and discrimination in explaining why blacks succeed or fail, the picture it

conjures up is not necessarily one of an effective high-performing person; rather, the image may be one of the "Uncle Tom."

To some extent, these considerations may help explain why we found no relationship in our research between our measures of generalized Protestant ethic beliefs and how successful a trainee was in the post-program job world. For trainees to hold such beliefs despite their history of failure in the face of discrimination and economic barriers may imply a self-hatred and lack of realism that counterbalances any of the possible positive motivational implications that might come from holding such beliefs.

In our research we attempted to get at this issue in a number of questions in our interviews. The findings are admittedly tentative and exploratory. The most relevant came from a question in which the interviewer read a list of things "that some people feel have kept them from doing as well as they might have done in life" and asked the trainee to rate how important he felt each one had been in keeping him from doing as well as he might have done. The list of items included both types of external factors that we have noted: chance factors (health, accidents, "bad luck") and racial discrimination. It also included different types of internal factors that might explain failure: motivational deficiencies (laziness, not using the breaks one gets in life), as well as those focusing on lack of competence and skill. Although the responses to this question were not related to job earnings, they were related to another of our "success" criteria—whether or not the program was able to place its program graduates in jobs. The less successful trainees, those who graduated from the program but were not immediately placed on a job, tended to be self-blaming; those who graduated and were placed more often blamed racial discrimination for their limited success. These findings are admittedly tentative, but they do suggest that an internal orientation, when it focuses on self-blame, can be associated with negative rather than positive consequences, and a focus on external factors, when it represents real external obstacles the trainees have faced, can reflect a sensitivity to the realities of their world that has positive motivational implications.

We have stressed this internal-external issue because it

has special relevance to manpower training programs, since these programs focus on an internal orientation and an individual bootstrap-lifting approach to the poverty problems of hard-core groups. What we have attempted to point up in our discussion of internal-external control is that this individual orientation represents only one limited approach to these issues. It is limited by the possibility that this focus may lead to greater intrapunitiveness rather than competence, and even when it does increase individual competence, it is limited by the fact that it has not dealt with all of the determinants of the trainee's problems.

That manpower programs have become concerned with this issue is reflected in the fact that a number of them have muted the completely individual focus by placing it within a broader group context, appealing to group as well as individual pride, encouraging individual ability as part of the group's attack on its problems, focusing on reality problems in the environment as well as on self-improvement. Community-wide programs such as HARYOU, TWO, and Mobilization for Youth have tried to combine these individual and group emphases; more recent examples of such attempts are programs which attempt to utilize "group pride" such as Project PRIDE and Opportunities Industrialization Centers.

The value of participation in group-oriented action against external obstacles is important not only because it helps to handle some of the real problems these trainees face in their environment; it is also important for the psychological and motivational health of the trainees as individuals, particularly for blacks among the hard-core unemployed. Their problems of powerlessness are so tied to their identity as blacks that a focus on external as well as internal determinents, and encouragement of group as well as individual action, may be necessary to cope successfully with the problems. The rise of black nationalism and black power, and even to some extent the violence and riots, attest to the desire and need among people like the trainees for a group approach to these issues.

We are, of course, not suggesting that skill training and individual mobility are unimportant. At many points in this paper we have stressed their importance. Rather, what we are attempting to caution against is too exclusive a focus

on such an orientation. The tide of recent events does not make an individual competence approach to these problems irrelevant but it should serve to place it in a proper perspective.

SOME CONCLUDING REMARKS

At several points in this paper, we have commented that, historically, manpower training programs have been moving away from the "preparatory" programs in institutional settings to those which focus their efforts around on-the-job training. In general, in our analysis of motivational and psychological issues we have supported both the rationale underlying this change and some of the specific program activities that have accompanied it. To some extent this may reflect the fact that the project we studied in our research followed the institutional preparatory model, so that the problems in this model were the more obvious ones.

Perhaps, then, it is appropriate to conclude with some cautions that our research suggests about the programs that are increasingly focusing their efforts in on-the-job settings. Two cautions in particular should be stressed.

First, the focus on getting the trainees a job should not obscure the fact that what is important is not to provide the trainees with work but with work that is meaningful, that demands competence, that represents some opportunity. The literature on expectancy that we reviewed suggests the importance of typing expectancies to a skill that demands real competence and that has some real payoff in the job world. There is a danger that the emphasis in contemporary approaches on getting trainees immediately into the job world may make us lose sight of the fact that what is needed is jobs with mobility possibilities, and programs that provide the skill training that these kinds of jobs require. There is already some suggestion that a number of these programs may be losing sight of this fact in their urgency to get people off the streets and into jobs as a way of possibly forestalling violence and riots.

A second caution we wish to stress is that the swing away from some of the psychological assumptions underlying the institutional "socializing" programs, and the

movement toward a more pragmatic situationally oriented approach, should not divert attention from the serious psychological and motivational issues that do exist. We have attempted in the discussion in this paper to point up some of the difficult psychological problems that remain even when the opportunity structure changes. Although in most cases OJT programs provide for counseling services to deal with these problems, there is a danger that the focus on getting the trainees into the job world may lead to underestimating the significance of the motivational issues and undermine the commitment to dealing with them. In our discussion we have suggested that a major and long-term investment in counseling services may still be required and should not be discarded in the tendency to reject the older preparatory institutional model as inadequate and having failed to "solve" the hard-core problems.

In the short history of manpower programs we have all learned somewhat from our mistakes. It would be tragic if in rejecting older approaches we over reacted by swinging to opposite extremes. In a sense all of the various approaches have focused on different aspects of the problems. Our future efforts should be directed toward developing approaches which integrate the lessons of all that we have attempted.

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